8. IMR REPORT

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Date: 31 July 2026

The Board of Directors

Butterfield FB Berhad
PMT1191, Lorong Perindustrian Bukit Minyak 19
Taman Perindustrian Bukit Minyak
14100 Simpang Ampat
Pulau Pinang, Malaysia

Dear Sirs / Madams,

Independent Market Research Report on the Coffee and Tea Extract Powder Blends Industry as well as the Food Ingredients Industry in Malaysia and Thailand ("IMR Report")

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD ("**SMITH ZANDER**") for inclusion in the Prospectus in conjunction with the listing of Butterfield FB Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry in which Butterfield FB Berhad and its subsidiaries ("**Butterfield Group**") operate and to offer a clear understanding of the industry dynamics. Butterfield Group is principally involved in the manufacturing of coffee extract powder blends and tea extract powder blends primarily for sales in Malaysia and Thailand, as well as the sales and trading of food ingredients and instant beverage premixes in Malaysia and Thailand. Thus, the scope of work for this IMR Report will address the following areas:

(i) The coffee and tea extract powder blends industry in Malaysia, including its key industry drivers, risks and challenges as well as competitive landscape;
(ii) The coffee and tea extract powder blends industry in Thailand; and
(iii) The food ingredients industry in Malaysia and Thailand.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, amongst others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies mentioned in this report.

For and on behalf of SMITH ZANDER:

DENNIS TAN
MANAGING PARTNER

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The research for this IMR Report was completed on 20 July 2026.

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner Director of SMITH ZANDER. Dennis Tan has over 28 years of experience in market research and strategy consulting, including over 23 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada

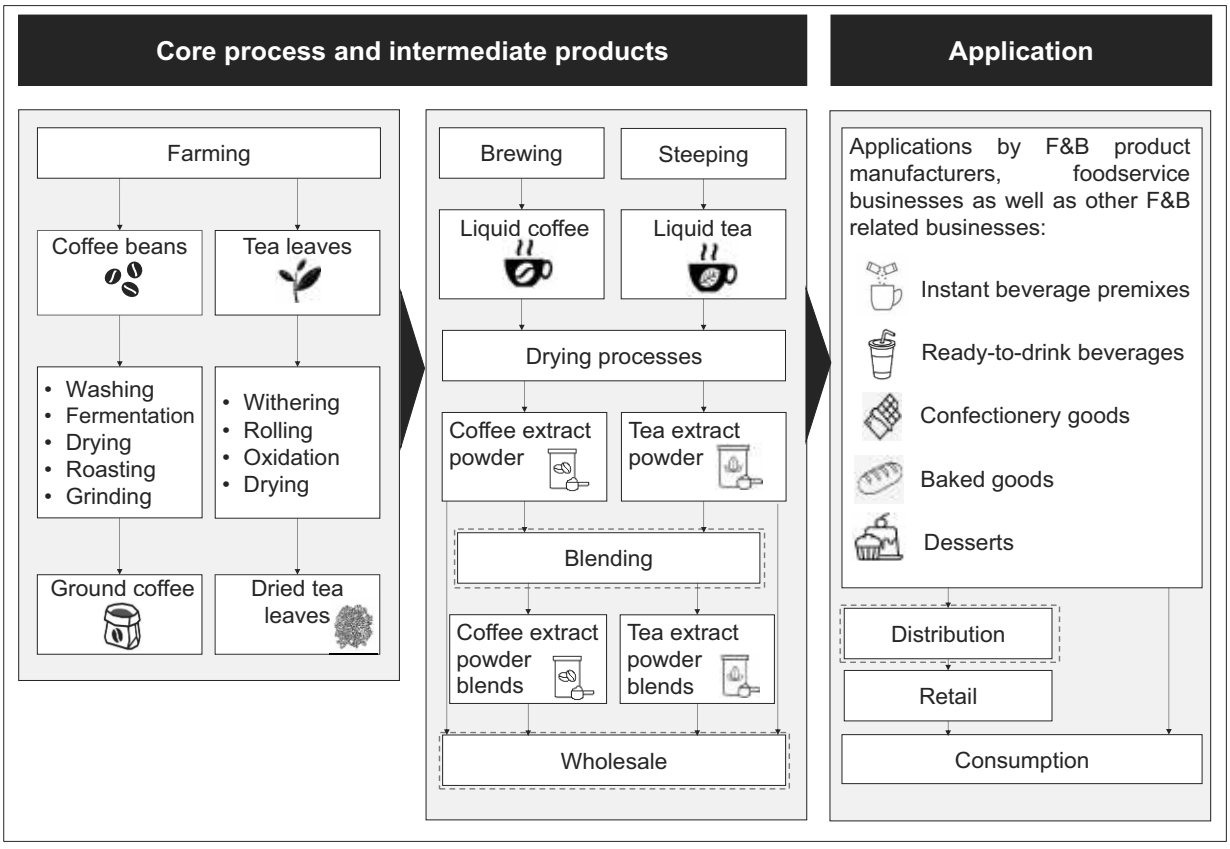
1 THE COFFEE AND TEA EXTRACT POWDER BLENDS INDUSTRY IN MALAYSIA

1.1 Overview

Coffee and tea extract powders are concentrated powder forms of brewed coffee and steeped tea, which have been processed into water-soluble extract powders for convenient usage/consumption while preserving their flavours. The production of coffee and tea extract powders begins at the agricultural stage, where coffee beans and tea leaves are farmed and processed. Thereafter, coffee beans undergo washing, fermentation, drying, roasting and grinding, resulting in ground coffee; while tea leaves undergo withering, rolling, oxidation and drying, producing dried tea leaves. These ground coffee and dried tea leaves are then brewed or steeped to extract their flavours in liquid form (i.e. liquid extract), and subsequently undergo drying processes such as spray-drying, freeze-drying or vacuum drying to remove moisture and transform the liquid extract into fine powders (i.e. coffee and tea extract powders) which dissolve in water while retaining flavour and aroma.

These coffee and tea extract powders serve as a convenient alternative to traditionally brewed coffee or steeped tea. To enhance flavour and aroma, coffee and tea extract powders of different origins, types and grades can be blended to create coffee and tea extract powder blends, which offer unique flavour and taste profiles tailored for various applications and consumer preferences. Coffee and tea extract powder blends are widely used in the food and beverage ("**F&B**") industry, serving as key ingredients in instant beverage premixes as well as ready-to-drink beverages. Further, due to the convenience of these extract powder blends, they are also a preferred choice for F&B product manufacturers, foodservice businesses as well as other F&B related businesses seeking to incorporate coffee or tea flavours into their products (e.g. confectionery goods, baked goods and desserts).

The core process for the production of coffee and tea extract powder blends as well as intermediate products produced during the process, along with their applications, are illustrated in the diagram below:



Notes:

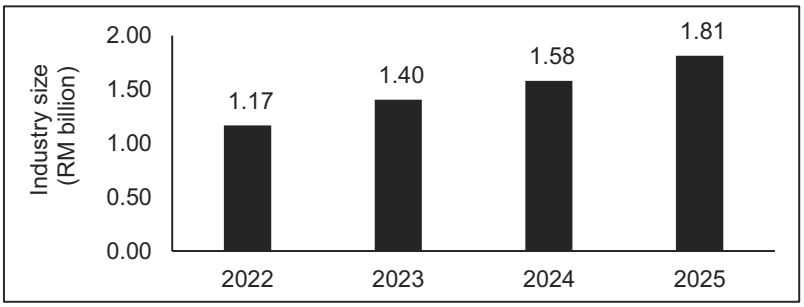
- *denotes the processes which Butterfield Group is principally involved in, whereby Butterfield Group is involved in the manufacturing of coffee and tea extract powder blends for wholesale to its customers, as well as trading of instant beverage premixes to its customers.*
- *F&B product manufacturers, foodservice businesses as well as other F&B related businesses may also carry out blending operations in-house, in which these businesses source and blend coffee and tea extract powders internally to be incorporated into their own products.*
- *The list of examples above is not exhaustive.*

Source: SMITH ZANDER

1.2 Industry Performance, Size and Growth

The size of the coffee and tea extract powder blends industry in Malaysia is represented by the manufacturing sales value of extracts, essences and concentrates of coffee and tea, which includes coffee and tea extract powder blends. Based on this, the coffee and tea extract powder blends industry in Malaysia grew from RM1.17 billion in 2022 to RM1.81 billion in 2025, at a compound annual growth rate ("**CAGR**") of 15.65 %.

Coffee and tea extract powder blends industry size (Malaysia), 2022 – 2025



*Sources: Department of Statistics Malaysia ("**DOSM**"), SMITH ZANDER*

Moving forward, the coffee and tea extract powder blends industry in Malaysia is expected to continue to be driven by the key industry drivers as shown in Chapter 1.3 of this IMR Report.

1.3 Key Industry Drivers

- **Growing need for convenience increases consumer demand for instant beverage premixes and ready-to-drink beverages, thus spurring the demand for coffee and tea extract powder blends**

The increasing demand for instant beverage premixes and ready-to-drink beverages is driven by consumers' need for convenience. These beverage products, which are manufactured using coffee and tea extract powder blends along with other ingredients, are usually packaged or sold in single-serve portions for portability, ease of preparation and/or on-the-go consumption. This trend aligns with the changing lifestyles of Malaysian consumers which are influenced by rapid urbanisation, whereby consumers in urban areas tend to live fast-paced lifestyles and have less time or prefer not to spend time in preparing beverages.

According to the World Bank, over the years, the rate of urbanisation grew in tandem with Malaysia's growing economy, rising from 42.04% of total population in 1980 to 79.67% of total population in 2025. The increasing urbanisation rate illustrates the growing trend for convenience-driven products, which include instant beverage premixes and ready-to-drink beverages. In addition, the wide variety of flavours and price points available for both instant beverage premixes and ready-to-drink beverages ensures that these products cater to diverse taste and budget preferences. Thus, the growing need for convenience increases consumer demand for instant beverage premixes and ready-to-drink beverages, and in turn drives the demand for coffee and tea extract powder blends.

- **Growth in the foodservice industry as well as the F&B products manufacturing industry boost the demand for coffee and tea extract powder blends**

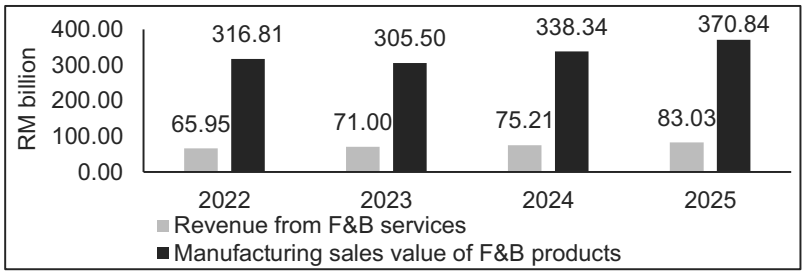
The demand for coffee and tea extract powder blends is also driven by the growth of the foodservice industry. The foodservice industry comprises a wide range of businesses that are involved in the provision of F&B services such as restaurants, bars, cafes, specialised beverage stores (e.g. bubble tea shops and milk tea shops), cafeterias and street stalls/kiosks. Many of these foodservice businesses offer coffee

and/or tea beverage options on their menu due to the consistent demand for these beverages. Furthermore, to attract and retain customers, foodservice businesses continuously expand or revamp their offerings by introducing new menu of F&B products, which may require a diverse selection of coffee and tea extract powder blends to create unique flavour and taste profiles.

Coffee and tea extract powder blends also find applications in other sectors, particularly the F&B products manufacturing industry, whereby they are used in the production of F&B products such as confectionery goods, baked goods and desserts. The F&B products manufacturing industry relies on coffee and tea extract powder blends due to the consistent flavour profiles offered, allowing them to streamline production processes while ensuring consistent and high quality end-products.

The foodservice industry in Malaysia, represented by revenue from F&B services, increased from RM65.95 billion in 2022 to RM83.03 billion in 2025 at a CAGR of 7.98%. On the other hand, the F&B products manufacturing industry in Malaysia is represented by the manufacturing sales value of F&B products, which increased from RM316.81 billion in 2022 to RM370.84 billion in 2025 at a CAGR of 5.39%.

Revenue from F&B services and manufacturing sales value of F&B products (Malaysia), 2022 – 2025



Sources: DOSM, SMITH ZANDER

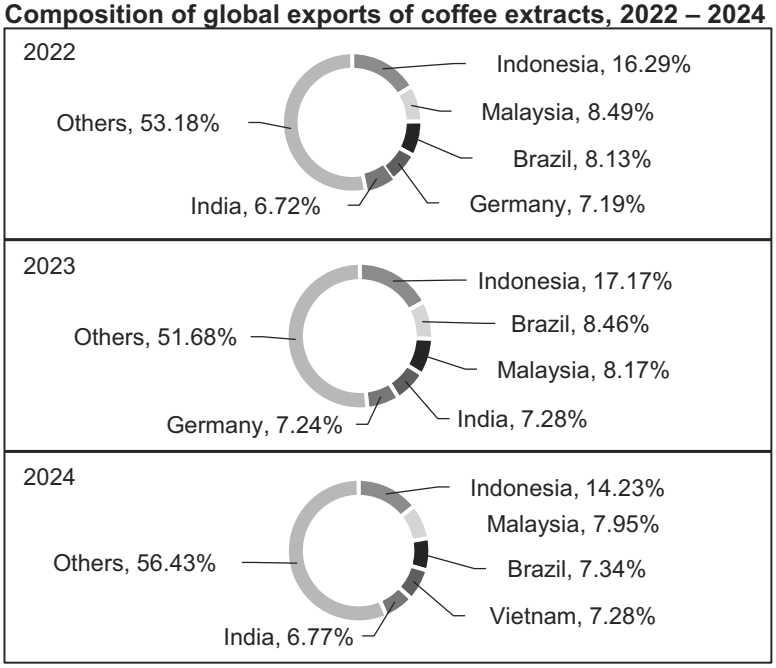
As such, the growing foodservice industry and the continuous utilisation of coffee and tea extract powder blends in the F&B products manufacturing industry in Malaysia will continue to drive the demand for coffee and tea extract powder blends.

- **The demand for coffee extract powder blends from Malaysia is supported by Malaysia's strong position in the global export of coffee extracts**

According to the Food and Agriculture Organisation ("**FAO**"), Malaysia was amongst the world's largest exporter of coffee extracts globally, ranking 2nd in 2022, 3rd in 2023 and back to 2nd in 2024. In 2022, 2023 and 2024, Malaysian coffee extracts export accounted for 8.49% (100,202 tonnes), 8.17% (89,966 tonnes) and 7.95% (107,918 tonnes) of total global exports of coffee extracts (1,179,875 tonnes, 1,101,756 tonnes and 1,356,990 tonnes respectively), which were exported globally to 115, 143 and 141 countries respectively.

In 2022, Malaysia's top 10 coffee extract export destinations were China, Thailand, Singapore, Vietnam, United Arab Emirates, Hong Kong, Japan, Russia, the Philippines and Kazakhstan. In 2023, Malaysia's top 10 coffee extract export destinations were China, Singapore, Thailand, Hong Kong, Kazakhstan, Uzbekistan,

Composition of global exports of coffee extracts, 2022 – 2024



Note: Data for 2025 is not available as of the date of research completion.
Sources: FAO, SMITH ZANDER

Vietnam, Japan, United Arab Emirates and the Philippines. In 2024, Malaysia's top 10 coffee extract export destinations were Thailand, China, Singapore, Hong Kong, Kazakhstan, Vietnam, Uzbekistan, United Arab Emirates, Turkmenistan and Japan.

With Malaysia being one of the major exporters of coffee extracts, international customers will continue to seek coffee products from Malaysia, which includes coffee extract powder blends, thus driving the demand for the manufacturing of coffee extract powder blends in Malaysia.

1.4 Key Industry Risks and Challenges

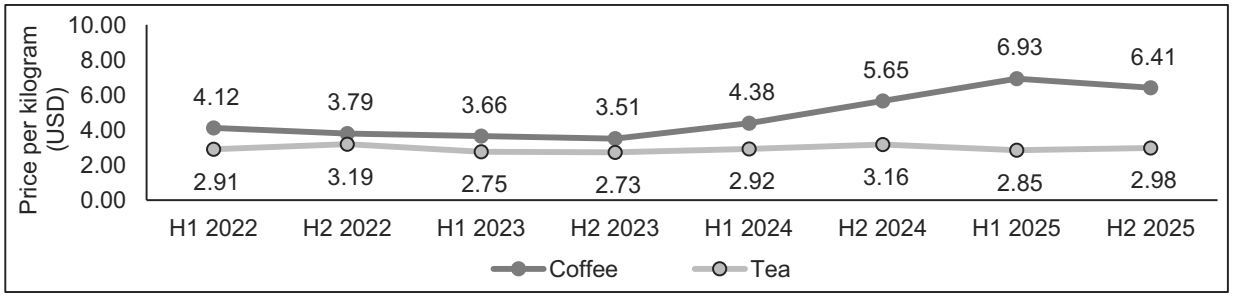
- **Fluctuating prices and supply of coffee and tea extract powder blends arising from the dependence on crop yield**

The coffee and tea extract powder blends industry relies on plant-based agricultural products, namely coffee beans and tea leaves, making it highly dependent on the consistency and sufficient supply of these crops. However, the yield of these crops may fluctuate due to external factors such as soil fertility, weather conditions and the presence of pests or diseases. Adverse weather conditions (e.g. floods, cyclones and droughts), pest infestations or disease outbreaks can negatively impact crop harvesting, leading to scarcity, price volatility and/or supply disruptions. Variations in crop yield can also affect product quality and consistency, posing challenges in maintaining batch conformity and meeting customer requirements.

Consequently, these factors could further impact global demand and supply conditions, potentially leading to price fluctuations, market speculations, and regulatory changes on the crop. This makes it challenging for industry players to meet demand while maintaining price stability, which in turn could affect their business operations and financial performance.

From 2022 to 2025, the semi-annual average global price of coffee and tea ("**Global Coffee Price**" and "**Global Tea Price**" respectively) fluctuated throughout the period. The Global Coffee Price increased to its highest at USD6.93 (RM29.67)[1] per kg in H1 2025, from its lowest of USD3.51 (RM16.02)[1] per kg in H2 2023; while Global Tea Price peaked at USD3.19 (RM14.04)[1] per kg in H2 2022 and recorded its lowest level at USD2.73 (RM12.46)[1] per kg in H2 2023.

Global Coffee Price and Global Tea Price, H1 2022 – H2 2025



Notes:

- *Global Coffee Price is derived from the average price per kg of Arabica Coffee and Robusta Coffee.*
- *Global Tea Price is derived from the average price per kg of Colombo tea, Kolkata tea and Mombasa tea.*

Sources: World Bank, SMITH ZANDER

- **Exposure to risks relating to legal and regulatory conditions**

F&B product manufacturers, including coffee and tea extract powder blends manufacturers, are governed under laws and regulations both in Malaysia and in international markets where they sell/export their products. For example, as Butterfield Group sells/exports its products in countries such as Malaysia and Thailand, they must comply with the Food Act 1983, Food Regulations 1985 and Food Hygiene Regulations 2009 in Malaysia; and the Food Act 1979 in Thailand. These laws and regulations cover multiple aspects of the manufacturers' operations, including permits and licences to manufacture and/or sell their products, as well as the contents and ingredients of their products. In addition, these food safety laws and regulations may become more stringent over time and may require manufacturers to incur additional cost and time to ensure compliance.

Laws and regulations in relation to food safety vary by country. Non-compliance with other countries' laws and regulations could cause dire consequences to manufacturers that are involved in international businesses. For example, each country has different restrictions on the types and permissible levels of certain ingredients or food additives in F&B products. Therefore, if a product contains ingredients or food additives that exceed the permitted thresholds or are entirely banned in a particular country, the manufacturing, sale and/or importation of the product in the country may result in revocation or non-renewal of the manufacturers' permits and licences, and/or fine and penalties, if applicable.

1.5 Competitive Overview

Based on publicly available information, there are a handful of industry players in Malaysia principally involved in the manufacturing of coffee and/or tea extract powder blends, from which it can be deduced that the coffee and tea extract powder blends industry in Malaysia is moderately competitive.

The barriers to entry into the coffee and tea extract powder blends industry in Malaysia is moderately high as it involves high capital expenditure at the primary stage, whereby substantial upfront capital is required for the setup of a manufacturing plant that is compliant with the relevant requirements set out by the Food Safety and Quality Division under the Ministry of Health Malaysia; as well as the purchase of necessary machinery and equipment. Furthermore, ongoing funds will also be required for operating expenses and product development activities to continuously innovate and develop new products in order to keep abreast with market trends and to remain competitive within the industry.

Apart from industry players principally involved in the manufacturing of coffee and/or tea extract powder blends, users of such blends such as F&B product manufacturers, foodservice businesses as well as other F&B related businesses, particularly large-scale users, may also blend coffee and/or tea extract powders in-house to produce customised blends for incorporation into their own products. However, in the context of this IMR Report, these industry players are not regarded as competitors to Butterfield Group, as coffee and/or tea extract powder blends produced by them are intended for internal use and are typically not their product offerings.

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1.6 Key Industry Players

As Butterfield Group is primarily involved in the manufacturing of coffee extract powder blends and tea extract powder blends, the basis for selection of the key industry players in the coffee and tea extract powder blends industry in Malaysia is as follows:

- Companies incorporated in Malaysia which manufacture coffee extract powder blends, who may or may not manufacture tea extract powder blends. These coffee and/or tea extract powder blends are intermediate products used as ingredients in the manufacturing of end-consumer products such as instant beverage premixes and ready-to-drink beverages, and/or in foodservice businesses; and
- Companies with revenue above RM10.00 million in their latest available financial year.

Company name	Manufacture coffee extract powder blends	Manufacture tea extract powder blends	Latest available financial year	Revenue [(i)] (RM million)	Segmental revenue (RM million)	Gross profit (RM million)	Gross profit margin (%)	Profit after tax (RM million)	Profit after tax margin (%)
Butterfield Group	✓	✓	30 April 2026	272.13	212.64	59.17	21.74	35.04	12.88
Dan Kaffe (Malaysia) Sdn Bhd	✓	×	31 December 2024	240.07	N/A	41.66	17.35	22.33	9.30
Haco Asia Pacific Sdn Bhd	✓	×	31 December 2025	195.27	N/A	123.13	63.06	41.25	21.12
Nanyang Creative Foods Sdn Bhd	✓	×	30 September 2025	22.52	N/A	5.10	22.65	2.65	11.77
Bolido Food Malaysia Sdn Bhd	✓	✓	30 June 2025	15.58	N/A	2.46	15.79	0.59	3.79

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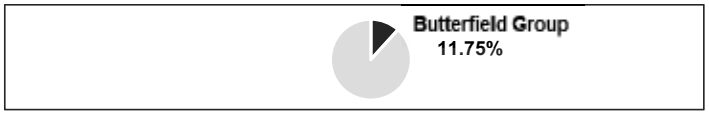
- *Latest available as at date of research completion.*
- *N/A – not available as information is not publicly available.*
- *The identified key industry players include all industry players that were identified by SMITH ZANDER based on sources available, such as the internet, published documents and industry directories. However, there may be companies that have no online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of industry players is exhaustive.*

(i) Revenue of industry players may include revenue derived from countries outside Malaysia. Unless specified under 'segmental revenue', revenue of industry players may also include revenue derived from business activities other than the manufacturing of coffee and tea extract powder blends, such as the manufacturing and sale of coffee and/or tea instant beverage premixes as well as the sale of food ingredients.

Sources: Butterfield Group, various company websites, Companies Commission of Malaysia, SMITH ZANDER

1.7 Industry / Market Share

Butterfield Group captured a market share of 11.75% in 2025, based on its segmental revenue for manufacturing and sale of coffee and tea extract powder blends which amounted to RM212.64 million for the FYE 30 April 2026, computed against the coffee and tea extract powder blends industry size in Malaysia of RM1.81 billion in 2025.



Sources: Butterfield Group, SMITH ZANDER

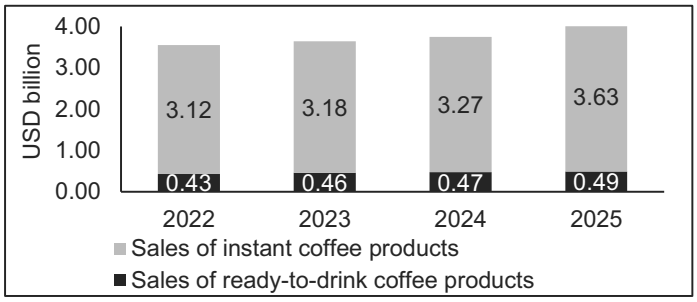
2 THE COFFEE AND TEA EXTRACT POWDER BLENDS INDUSTRY IN THAILAND

Similar to Malaysia, the coffee and tea extract powder blends industry in Thailand is also driven by the growing demand for convenience-driven beverages, as well as the growth in both the F&B products manufacturing industry and foodservice industry in Thailand.

Coffee and tea extract powder blends are amongst the key ingredients used to manufacture convenience-driven beverages such as instant and ready-to-drink coffee and tea products.

From 2022 to 2025, sales of instant coffee products increased at a CAGR of 5.18% from USD3.12 billion (RM13.73 billion)[1] to USD3.63 billion (RM15.54 billion)[1]; whereby sales of ready-to-drink coffee products increased at a CAGR of 4.45% from USD0.43 billion (RM1.89 billion)[1] to USD0.49 billion (RM2.10 billion)[1].

Sales of instant and ready-to-drink coffee products (Thailand), 2022 – 2025

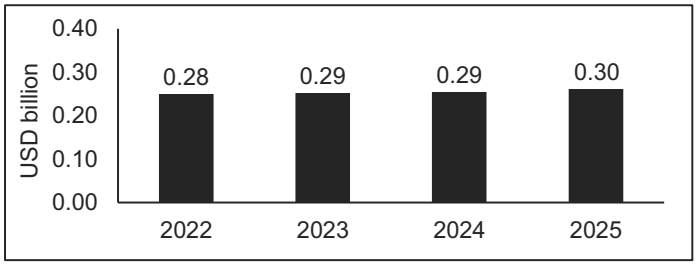


Sources: Statista, SMITH ZANDER

Additionally, from 2022 to 2025, the sales of ready-to-drink tea products increased at a CAGR of 2.33% from USD0.28 billion (RM1.23 billion)[1] to USD0.30 billion (RM1.28 billion)[1]. For clarity, the data on sales of instant tea products is not publicly available.

This upward trend signifies an increasing demand for these convenience-driven beverages, which will continue to support the demand for its key ingredient, i.e. coffee and tea extract powder blends.

Sales of ready-to-drink tea products (Thailand), 2022 – 2025

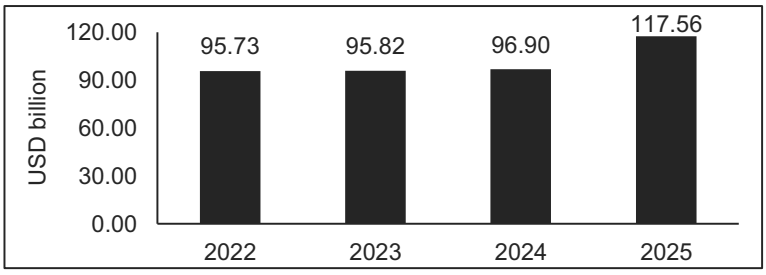


Sources: Statista, SMITH ZANDER

Additionally, Thailand is also experiencing significant urban growth. According to the World Bank, Thailand's urbanisation rate rose from 26.79% of total population in 1980 to 55.02% of total population in 2025. This in turn will further support the demand for convenience-driven beverages options such as instant coffee and tea products and ready-to-drink coffee and tea products, following the change in the consumers' lifestyle.

In addition to convenience-driven beverages, urban and population growth also contributes to the overall rise in demand for F&B products, which include coffee and tea flavoured/based F&B products. Reflecting this trend, Thailand's food manufacturing industry output grew at a CAGR of 7.09% from USD95.73 billion (RM421.26 billion)[1] in 2022 to USD117.56 billion (RM503.33 billion)[1] in 2025.

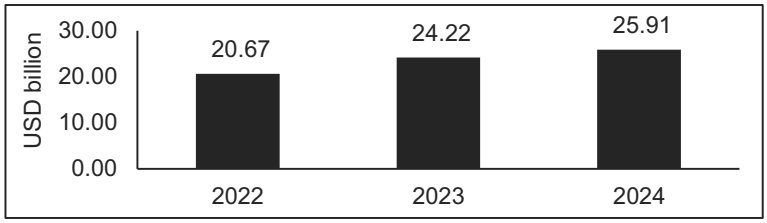
Food manufacturing industry output (Thailand), 2022 – 2025



Sources: Statista, SMITH ZANDER

Furthermore, coffee and tea extract powder blends are also used in the preparation of meals (such as desserts) and drinks in the foodservice industry. The foodservice industry in Thailand, represented by the sales from foodservice establishments, grew at a CAGR of 11.96% from USD20.67 billion (RM90.96 billion)[1] in 2022 to USD25.91 billion (RM118.46 billion)[1] in 2024.

Sales from foodservice establishments (Thailand), 2022 – 2024



Note: Data for 2025 is not available as of the date of research completion.
Sources: United States Department of Agriculture, SMITH ZANDER

Premised on the growing demand for convenience-driven beverages such as instant and ready-to-drink coffee and tea products, in addition to changing consumer lifestyles, increasing urbanisation, as well as growth in Thailand's F&B products manufacturing and foodservice industries, the demand for coffee and tea extract powder blends is expected to experience sustained growth.

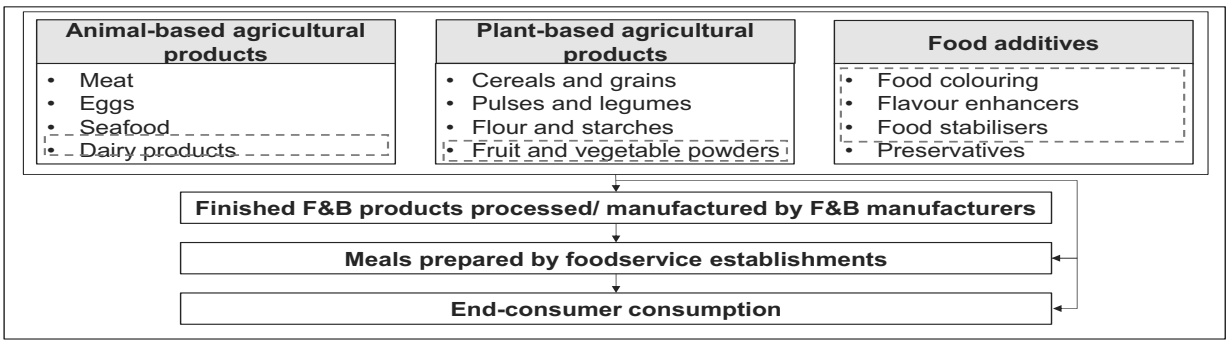
Furthermore, based on the latest Business and Industrial Census (Manufacturing Industry) published by the National Statistical Office and the Ministry of Digital Economy and Society of Thailand, in 2021[2], there were 361 and 178 players involved in the manufacturing of coffee and tea respectively, which includes the manufacturing of coffee and tea extract blends. Amongst these players, there are no public listed players on The Stock Exchange of Thailand that are deemed as competitors/comparables of the Butterfield Group.

3 THE FOOD INGREDIENTS INDUSTRY IN MALAYSIA AND THAILAND

Food ingredients refer to any unprocessed or processed food item used in the production and/or further processing of F&B products, as well as in the preparation of F&B items by households or in the foodservice business. Food ingredients include a wide range of agricultural products either in their natural form or derived from animal-based sources (e.g. meat, eggs, dairy and seafood) and plant-based sources (e.g. cereals and grains, pulses and legumes, flour and starches as well as fruits and vegetables). Food ingredients also include food additives which can be either derived from plants, animals, minerals and/or chemically synthesised products (e.g. food colouring, flavour enhancers, food stabilisers and preservatives), which are typically manufactured substances that are specifically designed to provide certain properties and functions in F&B products.

Food ingredients are the basic building blocks of the F&B industry, whereby food ingredients are either consumed directly, or further processed into F&B products such as F&B premixes, canned food, premade pastes, ready-to-eat meals, spreads and condiments, functional F&B products, bakery and confectionery products. Ultimately, these food ingredients and/or F&B products serve as an integral component for daily consumption through home cooking as well as various F&B related industries such as F&B products manufacturing as well as foodservice industries.

Food supply chain



Notes:

- *denotes the types of food ingredients which Butterfield Group mainly trades, which include dairy products such as whole milk powder, skimmed milk powder and dairy creamer; fruit and vegetable powders such as ginger extract powder, beetroot juice powder and instant roasted barley powder; and food additives such as coffee flavour powder, tea flavour powder and various food colouring and food stabiliser products.*
- *This list is not exhaustive.*

Source: SMITH ZANDER

Furthermore, the food ingredients industry in Malaysia and Thailand will continue to be driven by the following drivers:

Malaysia

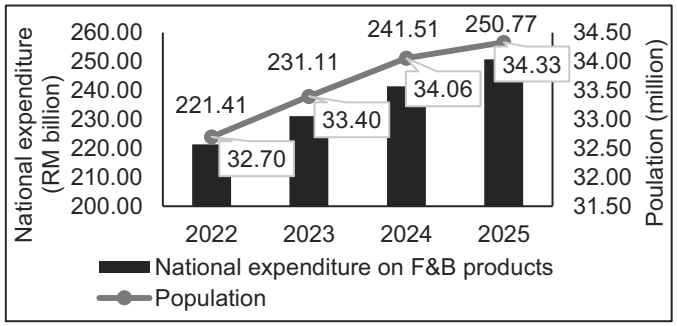
- **Increased food needs as a result of the growth in population and economic affluence, sustaining the demand for food ingredients**

  Between 2022 and 2025, Malaysia's population increased from approximately 32.70 million to 34.33 million at a CAGR of 1.63%. As the population continues to experience growth annually, more food supply is required to sustain the growing population, which will naturally drive the demand for food ingredients.

  Furthermore, Malaysia is a developing country with a growing economy and increasing wealth. The gross national income ("**GNI**") per capita in Malaysia increased from RM45,384.90 in 2022 to RM49,262.55 in 2025 at a CAGR of 2.77%. This increase in GNI per capita indicates a rise in a more affluent population with greater spending power.

  This in turn contributes to an increase in the demand for F&B products, which is further substantiated by the increase in national expenditure on F&B products in Malaysia from RM221.41 billion in 2022 to RM250.77 billion in 2025, at a CAGR of 4.24%.

  National expenditure on F&B products[(i)] and population (Malaysia), 2022 – 2025



Note:
(i) Refers to food and non-alcoholic beverages.

Sources: DOSM, SMITH ZANDER

  The increasing national expenditure on F&B products illustrates that the total spending on F&B products has been on the rise over the years, which is also in tandem with population growth. This is also expected to present growth opportunities for F&B related industries such as F&B products manufacturing and processing as well as foodservice industries which rely on the availability of food ingredients for their businesses, thus supporting the demand for food ingredients.

- **Growth in the F&B products manufacturing and foodservice industries will spur the food ingredients industry**

  Food ingredients are essential in the F&B products manufacturing industry as well as the foodservice industry. The F&B products manufacturing industry is involved in transforming food ingredients into semi-finished or finished F&B products. Food ingredients serve as key components in many F&B products such as noodles, meat products, pastries, sauces, snacks and beverages. As such, the growing F&B products manufacturing industry will spur the demand for food ingredients.

  Further, the demand for food ingredients is also driven by the growth of the foodservice industry. The foodservice industry comprises a wide range of businesses that are involved in the provision of F&B services such as restaurants, bars, cafes, specialised beverage stores (e.g. bubble tea shops and milk tea shops), cafeterias and street stalls/kiosks. The foodservice industry thrives on offering diverse menus and/or specialised cuisines to cater to different consumer palates and preferences. This requires a vast selection of food ingredients to craft dishes and flavours. Therefore, the growing

foodservice industry as well as the need to maintain menu diversity to meet customer expectations will drive the food ingredients industry.

The growth of the F&B products manufacturing industry as well as foodservice industry in Malaysia, as detailed in Chapter 1.3 of this IMR Report, will continue to be driven by the future expansion of the economy due to the necessity of food in people's daily lives as well as the increasing need for diverse food options. As a result, this will continue to sustain the demand for food ingredients moving forward.

- **Government initiatives in promoting the F&B products manufacturing industry will drive the demand for food ingredients**

  According to the Malaysian Investment Development Authority, in 2025, 115 investment projects in food manufacturing with a total worth of RM6.34 billion were approved. These investment projects are expected to drive the growth of the F&B products manufacturing industry in Malaysia, which will in turn lead to an increase in the demand for food ingredients in Malaysia.

  Further, the Government has been promoting Malaysia as a destination for Halal manufacturing due to the rapid development of Halal certification in the country, and the role of the Department of Islamic Development Malaysia ("**JAKIM**") as one of the world's major Halal governing bodies. JAKIM's recognition programme for international Halal bodies is also one of the most stringent and sought-after bilateral Halal system recognition programmes. This encourages consumer product companies to seek manufacturing services in Malaysia that are compliant to JAKIM's certification standards, and thus potentially driving the growth of the industry. As the F&B products manufacturing industry grows, this will drive the demand food ingredients that are Halal-certified. Subsequently, increased demand for Halal-certified F&B products will drive the overall food ingredients industry in Malaysia.

The food ingredients industry in Malaysia is highly competitive and fragmented due to the large number of industry players involved in the sourcing, distribution, production and/or manufacturing of various types of food ingredients. Industry players include farmers, processors, manufacturers, as well as importers, distributors and wholesalers; with Butterfield Group involved in the sales and trading of food ingredients. In the sales and trading segment, barriers to entry for smaller-scale operations are generally low, as it does not require extensive storage space or specialised machinery and equipment. However, barriers to entry for larger scale operations are relatively high, as it requires substantial upfront capital investment in storage and warehousing facilities as well as strong and sustainable operating cash flow for the stocking of inventory in order to promptly meet customer demand and achieve economies of scale.

For the purpose of this IMR Report and based on publicly available information, SMITH ZANDER has identified several companies that are involved in the trading of numerous food ingredients similar to those traded by Butterfield Group. Examples of these companies and similar product types traded by them include:

- Astramina Group Berhad (a public-listed company on the LEAP Market of Bursa Malaysia Securities Berhad), where in addition to manufacturing food ingredients (mainly food seasoning products), is also involved in the distribution of food ingredients such as food flavouring and food colouring products;
- Bolido Food Malaysia Sdn Bhd, which is involved in the distribution of coffee and tea-related products, non-dairy products and botanical extracts, amongst others. It is also a key industry player of Malaysia's coffee and tea extract powder blends industry as listed in Chapter 1.6 of this IMR Report;
- Alpha Delta Food (M) Sdn Bhd, which is involved in the distribution of cocoa, coffee and tea-related products, dairy and non-dairy products, as well as fruit and vegetables powders, amongst others; and
- FC Materials Sdn Bhd, which is involved in the distribution of cocoa, coffee, tea-related products, dairy and non-dairy products, as well as fruit and vegetables powders, amongst others.

The financial information of these companies and Butterfield Group is listed in the table below.

Company name	Latest available financial year	Revenue [(i)] (RM million)	Segmental revenue (RM million)	Gross profit (RM million)	Gross profit margin (%)	Profit after tax (RM million)	Profit after tax margin (%)
Butterfield Group	30 April 2026	272.13	52.58	59.17	21.74	35.04	12.88
Alpha Delta Food (M) Sdn Bhd	31 March 2025	66.28	N/A	5.02	7.57	2.53	3.82
Astramina Group Berhad	28 February 2026	19.68	5.21	9.81	49.85	6.25	31.76
Bolido Food Malaysia Sdn Bhd	30 June 2025	15.58	N/A	2.46	15.79	0.59	3.79
FC Materials Sdn Bhd	30 September 2025	8.94	N/A	2.68	29.98	0.28	3.13

Notes:

- *Latest available as at date of research completion.*
- *N/A – not available as information is not publicly available*
- *The identified key industry players include all industry players that were identified by SMITH ZANDER based on sources available, such as the internet, published documents and industry directories. However, there may be companies that have no online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of industry players is exhaustive.*

(i) Revenue of industry players may include revenue derived from countries outside Malaysia. Unless specified under 'segmental revenue', revenue of industry players may also include revenue derived from business activities other than the sales and trading of food ingredients, such as the manufacturing of coffee and tea extract powder blends as well as food ingredients.

Sources: Butterfield Group, various company websites, Companies Commission of Malaysia, SMITH ZANDER

Notwithstanding that these companies distribute or trade several product types that are similar to Butterfield Group, SMITH ZANDER notes that the operational scale, product portfolio focus, target markets and customer base of these companies may differ from Butterfield Group.

Further, the food ingredients sold and traded by Butterfield Group represent only a limited portion which does not cover the full spectrum of products within the overall food ingredients industry, and they are complementary products to its core business segment that focuses on coffee extract powder blends and tea extract powder blends. In 2025, the industry size of the food ingredients industry in Malaysia, as represented by the wholesale value of dairy products as well as coffee, tea, cacao and other beverages (which are amongst the types of food ingredients sold and traded by Butterfield Group), stood at RM30.80 billion. While Butterfield Group is also involved in the sales and trading of non-dairy products, food additives and plant-derived products, wholesale data for these products is not publicly available. Therefore, based on the available data, Butterfield Group's market share in the food ingredients industry in Malaysia was 0.17%, computed based on its segmental revenue for sales and trading of food ingredients in Malaysia which amounted to RM52.58 million for the FYE 30 April 2026, computed against the food ingredients industry size in Malaysia of RM30.80 billion in 2025.

Thailand

As detailed in Section 2 of this IMR Report, the food manufacturing industry output in Thailand grew at a CAGR of 7.09% from USD95.73 billion (RM421.26 billion)[1] in 2022 to USD117.56 billion (RM503.33 billion)[1] in 2025; and sales from foodservice establishments in Thailand grew at a CAGR of 11.96% from USD20.67 billion (RM90.96 billion)[1] in 2022 to USD25.91 billion (RM118.46 billion)[1] in 2024. As food ingredients serve as the basic building blocks of the F&B industry, including the food manufacturing industry and the foodservice industry, the continuous growth of the food manufacturing output and sales from foodservice establishments in Thailand are expected to sustain the food ingredients industry in Thailand. Further, the food ingredients industry in Thailand will also be sustained by the large Thai population, which as at 2025

stood at 65.81 million, according to the National Statistical Office of Thailand. In addition, the food ingredients industry in Thailand is also expected to be supported by the expansion and growth of the Thai national economy, which grew from THB17.37 trillion (RM2.18 trillion)[1] in 2022 to THB18.97 trillion (RM2.47 trillion)[1] in 2025, at a CAGR of 2.98%.

Furthermore, based on the latest Business and Industrial Census (Business Trade and Service) published by the National Statistical Office and Ministry of Digital Economy and Society Thailand, in 2021[2], there were 25,819 players involved in the wholesale of F&B products. Amongst these players, there are no public listed players on The Stock Exchange of Thailand that are deemed as direct competitors/comparables of the Butterfield Group, as food ingredients sold and traded by Butterfield Group in Thailand represent only a small portion which does not cover the full spectrum of products within the overall food ingredients industry.

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[1] *Exchange rates from USD to RM and THB to RM from 2022 to 2025 was converted based on average annual exchange rates of the respective years, extracted from published information from Bank Negara Malaysia.*

2022	*USD1=RM4.4005*	*2023*	*USD1=RM4.5653*	*2024*	*USD1=RM4.5718*	*2025*	*USD1=RM4.2815*
	THB1=RM0.1255		*THB1=RM0.1311*		*THB1=RM0.1297*		*THB1=RM0.1302*

[2] *Latest publicly available data as of the date of research completion.*

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS

9.1.1 We are subject to foreign exchange fluctuation risks which may impact the profitability of our Group

We are exposed to the risk of foreign exchange fluctuations as majority of our sales to overseas customers are transacted in foreign currencies, namely THB and USD. However, certain overseas sales are also transacted in RM. As for our sales to local customers in Malaysia, the revenue generated is denominated in RM. For FYE 2023 to 2026, our sales to overseas customers which were denominated in foreign currencies accounted for approximately 45.2%, 47.9%, 39.7% and 40.7% of our Group's total revenue respectively.

Further, for FYE 2023 to 2026, our purchases from overseas suppliers are denominated in USD, THB, EUR and CHF, while our local purchases are denominated in RM. For FYE 2023 to 2026, our purchases which were denominated in foreign currencies accounted for approximately 82.3%, 86.1%, 81.1% and 85.0% of our Group's total purchases respectively.

The breakdown of our Group's revenue and purchases by currencies for FYE 2023 to 2026 is as follows:

	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Revenue denominated in:								
RM	53,616	54.8	62,798	52.1	147,877	60.3	161,483	59.3
THB	34,881	35.6	47,427	39.4	83,410	34.0	102,908	37.8
USD	9,385	9.6	10,305	8.5	14,046	5.7	7,736	2.9
	97,882	**100.0**	**120,530**	**100.0**	**245,333**	**100.0**	**272,127**	**100.0**
Purchases denominated in:								
USD	59,344	79.1	84,455	84.7	176,560	79.9	178,189	84.5
RM	13,251	17.7	13,841	13.9	41,816	18.9	31,772	15.0
THB	2,179	2.9	1,369	1.4	1,991	0.9	585	0.3
EUR	244	0.3	-	-	516	0.2	361	0.2
CHF	-	-	-	-	188	0.1	-	-
	75,018	**100.0**	**99,665**	**100.0**	**221,071**	**100.0**	**210,907**	**100.0**

As such, we are exposed to fluctuations of the foreign currencies, particularly USD and THB, and any unfavourable fluctuations in these foreign exchange rates may have an adverse impact on our financial performance and profitability. Any significant appreciation or depreciation of the RM against the USD and/ or THB may either positively or negatively affect our Group's financial performance. In circumstances where the USD and/ or THB significantly appreciate against the RM, we will record higher revenue and/ or higher purchases in RM after conversion. Conversely, in circumstances where the USD and/ or THB significantly depreciate against the RM, we will record lower revenue and/ or lower purchases in RM after conversion. The positive or negative effect on our Group's financial performance is subject to our position after netting off the amount of sales and purchases recorded in the respective financial years. In the event that we are unable to pass on the increase in cost to our customers in a timely manner, our financial performance may be adversely affected.

9. RISK FACTORS *(Cont'd)*

For FYE 2023 to 2026 and up to LPD, we did not enter into any financial instrument to hedge our exposure against any foreign exchange fluctuations. Further, for FYE 2023 to 2025, our Group recorded net foreign exchange gains of approximately RM0.3 million, RM0.2 million and RM0.3 million respectively, whereas in FYE 2026, our Group recorded a net foreign exchange loss of approximately RM1.4 million. Notwithstanding the net foreign exchange loss recorded in FYE 2026, our Group's overall financial performance was not materially impacted by foreign exchange fluctuations in FYE 2023 to 2026. Please refer to Section 12.12 for further details on the impact of foreign exchange fluctuations on our Group's financial performance. Moving forward, our Group does not intend to enter into any financial instrument to hedge our exposure against potential foreign exchange risks.

9.1.2 We are dependent on a major customer who has contributed substantially to our revenue

For FYE 2023 to 2026, our largest major customer was Aik Cheong Group, to whom we sold coffee extract powder blends and tea extract powder blends throughout FYE 2023 to 2026 and food ingredients in FYE 2025 and 2026, contributing 15.2%, 17.1%, 15.3% and 16.6% to our Group's total revenue in the respective financial years. Given that they have been our largest customer with significant sales contributions for FYE 2023 to 2026 consecutively, we are dependent on their continued purchases from our Group.

Despite having 17 years of business relationship with Aik Cheong Group as at LPD, there can be no assurance that we will be able to maintain the same level of revenue contribution from Aik Cheong Group, as there is no long-term contract with them and sales to them are primarily carried out on purchase order basis. In the event that Aik Cheong Group ceases or significantly reduces its orders, we would need to compensate for the loss in sales by increasing sales from our existing customers and/ or securing new customers to bridge the gap.

As such, a loss or a significant reduction of sales from Aik Cheong Group, as well as our inability to replace the loss of sales with new customers and/ or with additional orders from existing customers in a timely manner, could result in a loss of revenue which may have an adverse impact on our financial performance. Moreover, even though we may be able to secure new customers, there is no assurance that we will be able to achieve the same level of sales value, and maintain or improve our profit margins. If such adverse events occur, our financial performance may be adversely affected.

9.1.3 We are subject to licences, permits, certifications and requirements governing the F&B industry in Malaysia and Thailand

Our business operations are subject to licences, permits, certifications and requirements governing the F&B industry, which relate to, amongst others, food safety management system, manufacturing practice, sale and storage, hygiene standards and other requirements imposed by authorities in Malaysia and Thailand. We have obtained the necessary licences and approvals from various governmental authorities for our business, as set out in Section 6.7. For clarification, as set out in Note (1) of Section 6.7, although our HACCP, GMP and MeSTI certifications remain valid until 31 August 2026, we have submitted our renewal application to MOH on 29 April 2026, and we expect to obtain renewals prior to the expiry of such certifications.

9. RISK FACTORS *(Cont'd)*

In addition to the requisite licences and approvals, we have also obtained various certifications such as ISO 22000:2018, Certificate of SNI Marking Product, GMP, HACCP, MeSTI and FSSC 22000 as testament to our QA standards. As the Halal market is one of our targeted consumer groups, we have also obtained Halal certifications issued by JAKIM. As at LPD, we have registered our coffee extract powder, tea extract powder, food ingredients and instant beverage premixes with JAKIM to ensure they are certified Halal. Please refer to Section 7.13 for details of these certificates.

Our Group holds HACCP, GMP, MeSTI and Halal certifications among others, as well as valid certificates of registration for food premises, all of which are subject to prescribed renewal timelines and, where applicable, audit and inspection requirements. Our Group has maintained these licences, permits and certifications in the ordinary course of business and has not encountered any material issues in past renewal processes.

For our Group's Thailand market, the importation of food products for sale requires a valid food import licence to be obtained and renewed every 3 years prior to expiry. Compliance with this licensing requirement is necessary for the lawful distribution and sale of our products in Thailand. Our Group has maintained this food import license in the ordinary course of business and has not encountered any material issue in past renewal process.

In the event of non-compliance or non-conformance, such licences, permits and/ or certifications may be revoked or may not be renewed upon expiry. Further, any breach of the conditions, laws and regulations of these licences and permits can result in penalties, fines, and/ or potential prosecution against us and/ or our directors, restrictions on operations, and/ or remedial liabilities, which may negatively affect our business operations. There is also no assurance that the introduction of new laws or any changes to legislations or other future regulatory developments will not have a material adverse effect on our business.

For FYE 2023 to 2026 and up to LPD, our Group has not encountered any instances of non-compliance or non-conformance for the licences, permits and certifications obtained, save for the following:

(a) the non-compliance relating to our Group having met the licensing requirements for a manufacturing licence under the ICA 1975 since FYE 2016 without having obtained the licence, for which we began the application process with MITI and subsequently obtained the requisite manufacturing licence on 29 August 2024;

(b) the non-compliance relating to a delay in the submission to JAKIM of our Group's renewal applications for Halal certifications within the stipulated timeframe, for which the renewed Halal certification has been obtained on 1 December 2025;

(c) the non-compliance relating to a delay in the submission of our HACCP certification renewal application to MOH within the prescribed timeframe. Our Group submitted the renewal application on 29 April 2026, less than 6 months before the expiry date of 31 August 2026, instead of at least 6 months before expiry which was imposed as part of the conditions under the HACCP certification as the renewal function on FoSIM was not yet made available and we have promptly followed up with MOH to resolve the issue. Following, MOH had via a letter dated 28 July 2026 fixed an on-site HACCP renewal audit on 4 and 5 August 2026 to our Headquarters as part of the renewal process, and we expect to obtain the renewed certification prior to its expiry.

9. RISK FACTORS *(Cont'd)*

Should our Group fails to renew the HACCP certification (and consequentially, the GMP and MeSTI certifications, which are renewed automatically upon HACCP certification renewal approval) on or before 31 August 2026, our Group's HACCP, GMP and MeSTI certifications will lapse pending the outcome of MOH's review. In such event, our Group will not be permitted to display the HACCP, GMP and MeSTI logos on our products or in our marketing materials until the certifications are renewed. Notwithstanding the foregoing, our Group remains in compliance with Regulation 9 of the FHR 2009 by virtue of our FSSC 22000 and ISO 22000:2018 certifications, which are valid until 2027 and 2029 respectively. Premised on this, a late submission for renewal application for our HACCP certification will not impact the business operations of our Group; and

(d) the non-compliance relating to the expiry of the fire certificate for our Bukit Minyak Premises on 23 June 2026. Our Group submitted a renewal application to Bomba on 24 April 2026, and Bomba conducted a mandatory site inspection on 27 July 2026 as part of the renewal process and there were no adverse comments or additional requirements by Bomba in respect thereto. As such the renewed certificate expected to be obtained by August 2026. On 17 July 2026, our solicitors obtained confirmation from Bomba that, as the delay was not caused by our Group, no action, fines or penalties will be taken against us, and the renewed certificate would be dated in continuance of the preceding certificate. Accordingly, this delay is not expected to have a material adverse impact on our business operations or financial condition. For clarity, from the time we occupied the Bukit Minyak Premises in 2017, we have successfully renewed our fire certificate annually. Further there has been no material change or reconfiguration of our Bukit Minyak Premises since the 24 June 2025 being the date of the current certificate which is subject to renew.

9.1.4 We are dependent on our in-house product development team who is mainly involved in carrying out product development activities for the formulation of our coffee extract powder blends and tea extract powder blends

We are dependent on our in-house product development team, comprising 3 personnel as at LPD under our QA and QC department. Our product development team is led by our Executive Director/ Chief Executive Officer, Lee Mong Khai and is mainly involved in carrying out product development activities for the formulation of our coffee extract powder blends and tea extract powder blends, tailored to our customers' taste profiles and budgets. Their expertise in food technology and in-depth industry knowledge allow us to enhance the value of our manufacturing services, which is one of the key factors driving our business growth. We strive to continuously improve our existing formulations for coffee extract powder blends and tea extract powder blends, and to develop new formulations which suit market demand and customers' requirements.

A substantial loss of our product development personnel within a short period of time and without any suitable and timely replacements, or our inability to attract or retain qualified and competent product development personnel, may adversely affect our ability to compete and grow in the coffee and tea extract powder blends industry. Although we have not encountered any shortage of product development personnel that caused major disruptions to our operations for FYE 2023 to 2026 and up to LPD, there can be no assurance that we will be able to recruit, develop and retain adequate number of qualified product development personnel to support the future growth and expansion of our Group.

9. RISK FACTORS *(Cont'd)*

9.1.5 We are dependent on the quality of raw materials used in our manufacturing operations and the quality of our coffee extract powder blends and tea extract powder blends

The quality of our coffee extract powder blends and tea extract powder blends is dependent on the quality of raw materials used in our production, primarily the coffee extract powders and tea extract powders, as well as the handling and condition of the finished coffee extract powder blends and tea extract powder blends during delivery to our customers. Any deterioration in the quality of these raw materials or our finished coffee extract powder blends or tea extract powder blends may lead to inconsistencies in flavour, aroma, strength and mouthfeel, amongst others, of our coffee extract powder blends or tea extract powder blends.

If the raw materials do not meet the required standards, it may result in production delays, increased waste, higher costs due to reprocessing or sourcing alternatives, and potential failure to meet our customer specifications. Similarly, if the quality of our coffee extract powder blends or tea extract powder blends is compromised during delivery to customers, this may result in product spoilage, contamination, product replacement or refunds, and failure to meet our customer requirements. Persistent quality issues could also reduce customer confidence and lead to a loss of business.

Fluctuations in the quality of raw materials may arise from factors such as climate change, poor agricultural practices, contamination or improper handling during processing, storage and transportation. In addition, fluctuations in the quality of our coffee extract powder blends and tea extract powder blends may arise from contamination, damage or improper handling during delivery to customers. As we rely on third-party suppliers and logistics service providers for the supply of raw materials and delivery of our coffee extract powder blends and tea extract powder blends respectively, we have limited control over these variables, thereby posing the risk of quality deterioration, supply disruptions or the inability to fulfil product commitments to our customers. For FYE 2023 to 2026 and up to LPD, we did not experience any instances of fluctuations in the quality of raw materials or finished coffee extract powder blends or tea extract powder blends that materially affected our production or product standards.

9.1.6 We are exposed to risk arising from food contamination in our handling, storage and manufacturing operations

Food contamination is an inherent risk in our operations due to factors such as poor handling practices, contaminated raw materials and improper storage conditions during the manufacturing of our coffee extract powder blends and tea extract powder blends. Additionally, the storage of food ingredients and instant beverage premixes for our sales and trading business also poses potential contamination risks. The raw materials used in our manufacturing primarily comprising coffee extract powders and tea extract powders, as well as the products for our sales and trading business (i.e. food ingredients and instant beverage premixes) have to be handled and stored in dry conditions. Such raw materials and products are vulnerable to contamination from the growth of mould if not properly handled, stored and packed. Any contamination in our products may result in it being unsafe for consumption and will have an adverse impact on our reputation. This may also result in authorities inspecting our premises, leading to monetary fine and/ or temporary closure of our operations for cleaning and/ or sanitation, as well as potential product liability claims, any of which may materially and adversely affect us.

9. RISK FACTORS *(Cont'd)*

Further, our manufacturing processes involve human intervention and are therefore subject to our employees' awareness of good hygiene and them continuously adhering to our food safety management system and SOP. Whilst we stress and educate our employees on our food safety standards, there is no assurance that we will be able to continuously maintain the highest level of food safety standards and that we will not be exposed to the risks of food contamination in the future.

In FYE 2023 to 2026 and up to LPD, we have not encountered any food contamination issues. However, there is no assurance that we will not encounter any food contamination in our products in the future that could have a material and adverse impact on our business and financial performance.

9.1.7 We are dependent on our Executive Directors and key senior management for the continued success and future growth of our business

The continued success and future growth of our Group largely depend on the continuous contribution and involvement of our Executive Directors and key senior management as disclosed in Section 7.15.6. The experiences and skills of our Executive Directors and key senior management in their respective fields as well as in the management of our business play a pivotal role in our day-to-day business operations as well as in developing and implementing business strategies and policies to drive the growth of our Group.

Therefore, the loss of any of our Executive Directors and key senior management personnel simultaneously and/ or within a short period of time may unfavourably impact our Group's operations and the future growth of our business, if we are unable to attract suitable talents to replace them in a timely manner.

9.1.8 Our business operations are exposed to unexpected interruptions or delays caused by unforeseen events such as machinery and equipment failures, fire, power outages and/ or natural disasters, which may be beyond our control

As at LPD, we operate 2 manufacturing lines for the manufacturing of coffee extract powder blends and tea extract powder blends, and 1 dedicated manufacturing line for the manufacturing of matcha powder blends, which is a type of our tea extract powder blends. Accordingly, we rely on a series of machinery and equipment such as powder preparation system, mixing system and packing system which are critical for the manufacturing of coffee extract powder blends and tea extract powder blends (including matcha powder blends). In the event of a machinery and/ or equipment breakdown due to unanticipated failure or damage sustained during operations, the affected manufacturing line may cease to operate, potentially disrupting our manufacturing activities.

In addition, our business is also subject to loss due to events that are beyond our control such as fire, which may cause damage or destruction of all or part of our manufacturing facility, warehouses and/ or machinery and equipment, resulting in interruptions to, or prolonged suspension of our operations. Our business operations may also be affected by the occurrence of unexpected power outages or natural disasters such as floods or storms, which may lead to interruptions at our manufacturing facility and/ or warehouse operations, and/ or potential damage to our machinery and equipment. The occurrence of these unexpected events may affect our ability to meet the agreed upon delivery schedule with our customers.

9. RISK FACTORS *(Cont'd)*

In the event we have to halt our operations due to the abovementioned incidents, we will still be required to incur certain operating expenses such as labour costs and utility costs. Our Group's operations and financial performance may be adversely affected should the interruptions continue for a prolonged period of time. Further, there is no assurance that we will have sufficient funds/ insurance coverage to recover from the damages caused by such events.

From 22 November 2025 to 2 December 2025, our business operations at Songkhla Warehouse were temporarily suspended as our employees were unable to travel to work due to flooding in their residential areas in the southern province of Thailand. Although the temporary suspension of business operations was prompted by the flood situation, the area where our Songkhla Warehouse is located was not affected by the flood. Our Group has resumed business operations at Songkhla Province on 3 December 2025. As such, there was no material impact on our Group's business operations and financial performance. In FYE 2023 to 2026 and up to LPD, we have not experienced any major interruptions to our business operations caused by unforeseen events such as machinery and equipment failures, fire, power outages and/ or natural disasters, save for the abovementioned minor and non-material temporary suspension at our Songkhla Warehouse. Notwithstanding this, there is no assurance that we will not encounter similar events in the future, which may adversely affect our business operations and/ or financial performance.

9.1.9 We are exposed to credit risk and default payment by customers

Our financial performance is dependent, to a certain extent, on the creditworthiness of our customers. If circumstances arise that affect our customers' ability or willingness to pay us, we may experience payment delays or in worst cases, we may not be able to collect payment from our customers. We generally grant our customers a credit period of 30 to 120 days from the date of invoice. The extended 120-days credit term is granted selectively on a case-by-case basis taking into consideration various factors such as relationship with customers, customers' payment history, credit worthiness and the quantum of amount owing. As such, our Group does not expect the extended credit term to materially increase our exposure to credit risk and potential bad debts. Should there be a delay or default in payment by our customers, our operating cash flows and financial results may be adversely affected.

While we have not impaired any credit loss or experienced any material delay or default in payment by our customers that has adversely affected our financial performance during FYE 2023 to 2026 and up to LPD, there can be no guarantee that our customers will be able to fulfil their payment obligations within the stipulated credit period and that we will not encounter any collection problems in the future. As at LPD, RM0.80 million of our trade receivables were due from 3 customers with whom our Group has agreed on proposed payment schedules (i.e. recurring monthly settlement arrangements) to accommodate the extended payment cycles upon their request. These arrangements are consistent with our Group's usual collection practices, taking into account our long term business relationships with these customers. Nevertheless, there can be no assurance that these customers will fulfil their obligations under the agreed payment schedules. In addition, RM2.1 million of our trade receivables were due from 8 customers as at LPD, which our Group is closely monitoring and following up, with repayments being collected progressively. In the event that there is any default or delay in the collection of payment, we may be required to impair the entire RM2.1 million due from such trade receivables or provide for bad debts, representing 6.0% of our PAT for FYE 2026.

9. RISK FACTORS *(Cont'd)*

9.1.10 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations

We maintain various types of insurance at levels that are customary in our industry to protect against various losses and liabilities. As at LPD, our Group has taken up several insurance policies which includes fire consequential loss, burglary and flexi safeguard insurances for our Malaysian operations; and fire insurances for our product inventories stored and property risk insurance for our Thailand operations. The property risk insurance in Thailand covers our Samut Prakan Warehouse, including the building (excluding foundations), additions and improvements to the building, walls, fences, gates, electrical systems, plumbing systems, fire extinguishing systems and various utilities, as well as properties within the building such as furniture, fixtures, electrical appliances, electrical equipment and office equipment (excluding all types of stock). The insurance provides coverage against loss of or damage to the insured property arising from events such as fire and theft, subject to the terms, conditions and exclusions of the insurance policy.

However, our insurance policies are subject to exclusions and limitations. In particular, insurance policies in Thailand generally exclude coverage for losses or damages arising from war, riots, disease outbreaks and natural disasters unless such coverage is specifically purchased and stated in the policy. As at LPD, our Group has not obtained additional insurance coverage for such excluded risks for our Thailand operations. In Malaysia, there is no regulatory requirement to insure against these events, and our insurance coverage does not extend to all such risks.

Accordingly, in the event of claims, our insurance may not be adequate to cover all losses or liabilities that might incur. If we were to incur a significant liability for which we were not fully insured, the additional costs may adversely affect our business operations and financial performance. While we have not encountered such events for FYE 2023 to 2026 and up to LPD, there can be no assurance that any losses and liabilities arising from unfavourable events in the future will be fully covered by our insurance policies and would not lead to a material adverse impact on our financial performance in the future. Moreover, we will be subject to the risk that, in the future, we may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates.

9.1.11 We are exposed to risks arising from leakage of the formulations of our coffee extract powder blends and tea extract powder blends

Our coffee extract powder blends and tea extract powder blends are customised according to our customers' requirements, including taste profile, costing requirements and target market. The ownership of these formulations is retained by our Group to maintain full control over the formulations and any future modifications. To safeguard the confidentiality of these formulations, access is restricted to our Executive Director/ Chief Executive Officer, Lee Mong Khai; our Chief Operating Officer, Lee Sin Nan; our Chief Financial Officer, Tan Chee Khoo who is involved in the costing analysis of such formulations; and certain senior or selected personnel under our QA and QC (including product development) and production departments, the formulations are not shared with our customers, and our employees are subject to confidentiality obligations under their employment letters and employee handbook which prohibit the unauthorised disclosure or removal of any confidential information of our Group, including such formulations.

9. RISK FACTORS *(Cont'd)*

However, despite the implementation of such safeguarding practices, there is no assurance that the database containing our formulations will not be accessed by unauthorised personnel in the event of inadvertent sharing of information, cybersecurity breaches or any lapses in internal controls, amongst others. Should such information be disclosed to customers or competitors, we may experience a loss of customers and revenue, as customers may engage other industry players for their manufacturing needs, or competitors may utilise the leaked formulations to offer similar blends to our customers at more competitive pricing.

While we have not encountered any leakages of product formulations that resulted in a loss of customers for FYE 2023 to 2026 and up to LPD, there is no assurance that such incidents will not occur in the future. The occurrence of such incidents could lead to customer attrition, which may negatively affect our business, financial performance and prospects. Please refer to Section 7.14 for further details on the formulations of our coffee extract powder blends and tea extract powder blends.

9.1.12 Absence of long-term contracts with our customers and suppliers may result in fluctuations of our Group's financial performance

We do not enter into any long-term contracts with our customers as our sales are derived based on purchase orders whereby our customers' purchases are on an as-needed basis. The absence of long-term contracts may result in fluctuations of our Group's sales and result in uncertainties over our overall financial performance. Should we fail to retain our existing customers and are unable to replace these customers with new customers in a timely manner, our financial performance may be adversely affected.

In addition, we have also not entered into any long-term contracts with our suppliers to secure long term supplies from them due to the cost-sensitive nature of our business. We primarily purchase our supplies based on purchase orders with our suppliers. As such, there can be no assurance that we will be able to consistently source supplies at the quantities required and at commercially viable pricing from the same suppliers. If we are unable to procure certain supplies from our existing suppliers, there is no assurance that we will be able to replace them with other suppliers who are able to offer the same supplies that meet our quality, specification, packing condition and quantity in favourable terms and in a timely manner. Should we fail to do so, our financial performance and growth may be adversely affected.

9.1.13 We may not be able to successfully implement our business strategies and future plans

We plan to grow our Group's business by:

(a) expanding the sales of our tea extract powder blends, with a particular focus on growing the sales of our matcha formulations;
(b) increasing our production and storage capacity through the expansion of our Bukit Minyak Premises;
(c) purchasing new machinery and equipment to facilitate the setup of a 4th manufacturing line;
(d) expanding our customer base and securing additional sales to continue growing our financial performance; and
(e) pursuing strategic investments, mergers and/ or acquisition opportunities.

Please refer to Section 7.16 for further details of our business strategies and future plans.

9. RISK FACTORS *(Cont'd)*

The implementation of our business strategies and future plans is subject to additional expenditures including capital expenditures, operational expenditures and other working capital requirements, which will increase our Group's overall operational cost, including overhead costs and cost of sales. This may result in an adverse impact to our profit margin if we are unable to gain sufficient revenue following the implementation of our business strategies and future plans. Furthermore, the implementation of these business strategies and future plans may be influenced by various factors beyond our control, such as changes in economic conditions, as well as social and political environments in Malaysia and other countries to which we offer our products, which may affect the commercial viability of our business strategies and future plans.

In relation to our plans to pursue strategic investments, mergers and/ or acquisition opportunities, we may face challenges in identifying suitable acquisition targets that align with our business strategies and objectives. In addition, any proposed acquisition may be subject to various risks, including regulatory approvals, due diligence findings, valuation risks, financing requirements, and uncertainties in integrating the acquired business with our existing operations. There can be no assurance that we will be able to successfully identify and complete suitable acquisition opportunities, realise the anticipated operational and commercial synergies, or achieve the expected benefits from such strategic investments, mergers and/ or acquisitions.

Thus, there can be no assurance that the effort and expenditures spent on the implementation of our business strategies and future plans will yield the expected results in expanding our business. We are also not able to guarantee that we will be successful in executing our business strategies and future plans, nor can we assure that we will be able to anticipate all business, operational and industry risks arising from these business strategies and future plans. In the event that we are unable to manage our expansion plans and the related risks and costs, such failure may adversely affect our business operations and financial performance.

9.1.14 Our business may be affected by changes in consumer tastes and preferences for coffee extract powder blends and tea extract powder blends

Consumer tastes and preferences in the coffee and tea extract powder blends industry are constantly evolving. While we manufacture our coffee extract powder blends and tea extract powder blends based on our customers' specifications, our ability to support their requirements depends on how we can adapt to changes in end-consumer demand. Our success therefore relies on our continued ability to develop and improve the formulations of our coffee extract powder blends and tea extract powder blends to align with market trends and evolving taste profiles.

Despite our ongoing formulation development efforts, there is no assurance that we will be able to anticipate or respond promptly to changes in consumer preferences, which may affect our customers' demand for our blends. Failure to accurately anticipate and meet market demands may result in a decline in our sales, which could have a material adverse effect on our business and financial performance.

9. RISK FACTORS *(Cont'd)*

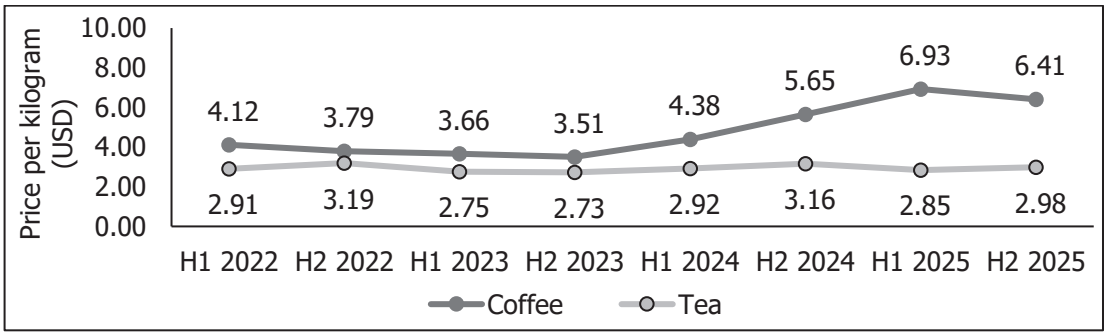
9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are exposed to price fluctuations as well as shortages and/ or delays in the delivery of our supplies

Our Group's purchases primarily comprise coffee extract powders and tea extract powders used in our manufacturing operations. Our purchase of coffee extract powders and tea extract powders collectively contributed 90.1%, 94.5%, 76.9% and 78.1% to our total purchases in FYE 2023 to 2026 respectively. Please refer to Section 7.7 for the breakdown of our purchases of supplies in FYE 2023 to 2026.

The prices of our supplies, particularly coffee extract powders and tea extract powders, are subject to price fluctuations as a result of, amongst others, global demand and supply conditions, global and regional economic conditions, as well as uncertainties arising from geopolitical conflicts. According to the IMR Report, the coffee and tea extract powder blends industry relies on plant-based agricultural products, namely coffee beans and tea leaves, making it highly dependent on the consistency and sufficient supply of these crops. However, the yield of these crops may fluctuate due to external factors such as soil fertility, weather conditions and the presence of pests or diseases. Adverse weather conditions (e.g. floods, cyclones and droughts), pest infestations or disease outbreaks can negatively impact crop harvesting, leading to scarcity, price volatility and/ or supply disruptions. Variations in crop yield can also affect product quality and consistency, posing challenges in maintaining batch conformity and meeting customer requirements. Consequently, these factors could further impact global demand and supply conditions, potentially leading to price fluctuations, market speculations, and regulatory changes on the crop. From 2022 to 2025, the semi-annual average global price of coffee and tea ("**Global Coffee Price**" and "**Global Tea Price**" respectively) fluctuated throughout the period, with further details set out in Section 8.

Global Coffee Price and Global Tea Price, 1st half ("H1") 2022 – 2nd half ("H2") 2025



Notes:

- Global Coffee Price is derived from the average price per kg of Arabica Coffee and Robusta Coffee.
- Global Tea Price is derived from the average price per kg of Colombo tea, Kolkata tea and Mombasa tea.

Sources: World Bank, SMITH ZANDER

9. RISK FACTORS *(Cont'd)*

The ongoing geopolitical tensions and military conflicts in the Middle East since February 2026, particularly involving Iran and Strait of Hormuz, have heightened regional instability and raised concerns over global energy supplies and international shipping routes. As a result, global oil prices have experienced upward pressure due to potential supply disruptions and market uncertainty, while shipping companies have reassessed the risks associated with transiting the Strait of Hormuz, which have led to an increase in shipping costs. Further, temporary airspace closures, attacks on commercial vessels, shipping rerouting and/ or other logistical disruptions potentially arising from the conflict may result in shipment delays and a further increase in shipping costs. These may consequently lead to a surge in commodity prices, including the prices of our supplies, if such impact prolongs. Any significant increase in the cost of sourcing our supplies due to the conflict may impact our margin and financial performance, if we are unable to pass on such increase in cost to our customers.

Our Group generally has been able to pass on any increase in cost, due to fluctuations in the prices of our supplies, to our customers. However, there is no assurance that we will be able to continue passing on the increase in cost to our customers. Any failure to pass on the increase in cost to our customers may result in a substantial increase in our cost of sales, thus affecting our financial performance. Nevertheless, as at LPD, we have not experienced any material change in the cost of coffee extract powders and tea extract powders that negatively impacted our financial performance.

In addition, it is important for us to obtain sufficient supplies in a timely manner and at acceptable prices in order to continue our business operations and meet the demands of our customers. Shortages and delays in delivery of supplies, particularly coffee extract powders and tea extract powders, may occur due to various factors. Environmental factors such as adverse weather conditions, pests, diseases and climate change can negatively impact coffee and tea yields, leading to supply shortages. Additionally, delays in transportation, logistic issues and/ or disruptions in supply chains (e.g. strikes or port congestion, political instability, natural disasters and pandemics) can further hinder timely delivery of these supplies. While we have not encountered any shortages and/ or delays in the delivery of our supplies in FYE 2023 to 2026 and up to LPD, there is no assurance that such incident will not occur in the future. Any prolonged shortages and/ or delays in the delivery of our supplies may affect our business operations and there is no guarantee that we will be able to obtain our supplies at similar specifications from alternative suppliers in a timely manner and/ or at reasonable prices. In the event that our business operations are disrupted due to shortages and/ or delays in the delivery of supplies, it may adversely affect our business operations as well as cause delays in the delivery of our products to our customers. Further, should we need to source our supplies from alternative suppliers at higher costs, and not able to pass on such increase in cost to our customers, our financial performance may be adversely impacted.

9.2.2 We are subject to risks relating to the political, economic, legal and social conditions in Malaysia and in the countries to which we sell our products and from which we source our supplies

Although we principally operate in Malaysia, we also generate revenue from sales to overseas customers in Thailand, Indonesia, Taiwan, the Philippines, Cambodia, Papua New Guinea and China and the Middle East. In FYE 2023 to 2026, our sales to local customers in Malaysia accounted for 54.8%, 52.1%, 59.9% and 57.0% of our Group's total revenue respectively, and our sales to overseas customers accounted for 45.2%, 47.9%, 40.1% and 43.0% of our Group's total revenue respectively. Additionally, we also source our supplies from Malaysia and overseas countries. In FYE 2023 to 2026, the purchases of our supplies from Malaysia accounted for 17.7%, 13.9%, 18.9% and 15.0% of our Group's total purchases respectively, and the purchases of our supplies from overseas countries accounted for 82.3%, 86.1%, 81.1% and 85.0% of our Group's total purchases respectively.

9. RISK FACTORS *(Cont'd)*

As we continue to expand our business, our business operations and financial performance are expected to be increasingly affected by political, economic, legal and social conditions in Malaysia and in the countries to which we sell our products and from which we source our supplies. Such developments include, but are not limited to, changes in political leadership, terrorism, war, strikes, riots, nationalisation, fiscal and monetary policies implemented by the governments of the countries in which we operate, sell our products to and/ or sourced our supplies from, such as inflation, deflation, tax policies (including sales and services tax, excise, duties and tariffs) and currency exchange controls, unemployment trends, deterioration of international bilateral relationships and other matters that influence consumer confidence and spending. Our Group could also be affected by new laws, regulations and guidelines that are introduced to govern manufacturing activities whether in general or specific to the coffee and tea extract powder blends industry.

These aforementioned events are beyond our control and thus we cannot assure that there would not be such occurrences in the future. Therefore, any unfavourable changes in political, economic, legal and social conditions in Malaysia and in the countries to which we sell our products and from which we source our supplies, may cause significant disruptions to our business operations and/ or impact our financial performance.

For FYE 2023 to 2026 and up to LPD, we did not experience any material adverse impact on our business operations arising from political, economic, legal and social conditions in Malaysia and in the countries to which we sell our products and from which we source our supplies.

9.2.3 We face competition from other industry players

According to the IMR Report, based on publicly available information, there are a handful of industry players in Malaysia principally involved in the manufacturing of coffee and/ or tea extract powder blends, from which it can be deduced that the coffee and tea extract powder blends industry in Malaysia is moderately competitive. The barriers to entry into the coffee and tea extract powder blends industry in Malaysia is moderately high as it involves high capital expenditure at the primary stage, whereby substantial upfront capital is required for the setup of a manufacturing plant that is compliant with the relevant requirements set out by the Food Safety and Quality Division under the MOH; as well as the purchase of the necessary machinery and equipment. Furthermore, ongoing funds will also be required for operating expenses and product development activities to continuously innovate and develop new products in order to keep abreast with market trends and to remain competitive within the industry. Please refer to the IMR Report in Section 8 for further details on the competitive overview of the coffee and tea extract powder blends industry in Malaysia.

Our current and potential customers have the option of sourcing our products, namely coffee extract powder blends, tea extract powder blends, food ingredients and instant beverage premixes from other industry players. As such, the competition that we face from other industry players may impact our revenue and profitability as we may be forced to be more price competitive in order to secure sales orders from existing and new customers. Failure to remain competitive may lead to adverse outcomes such as reduction in revenue and/ or profit margins, loss of existing customers and/ or failure to secure new customers, which may in turn adversely impact our financial performance and growth prospects.

9. RISK FACTORS *(Cont'd)*

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

There was no public trading market for our Shares prior to our IPO. Hence, there is no assurance that upon our Listing, an active market for our Shares will develop, or, if developed, that such a market can be sustained. Our IPO Price was determined after taking into consideration various factors including but not limited to our business strategies, future plans and our financial and operating history.

There can be no assurance that our IPO price will correspond to the price at which our Shares will be traded on the ACE Market, upon or subsequent to our Listing, and the market price of our Shares will not decline below the IPO Price.

9.3.2 There may be a potential delay to or cancellation of our Listing

Our Listing may be aborted or delayed due to possible occurrences of certain events, which include, among others, the following:

(a) the selected investors fail to subscribe for the portions of our IPO Shares;

(b) our Underwriter exercises its rights under the Underwriting Agreement to discharge itself from its obligations therein;

(c) we are unable to meet the minimum public shareholding spread requirement under the Listing Requirements, whereby at least 25.0% of our total number of Shares for which our Listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares at the point of our Listing; and/ or

(d) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA shall apply. Our Company shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC upon expiration of that period until the full refund is made.

If our Listing is aborted and/ or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules. Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of the High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution, and us meeting the solvency requirements under Section 117(3) of the Act. There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

Nonetheless, our Board will endeavour to comply with the various regulatory requirements, including, inter alia, public shareholding spread requirements for our Listing. However, there can be no assurance that the abovementioned factors/ events will not cause a delay in or non-implementation of our Listing.

9. RISK FACTORS *(Cont'd)*

9.3.3 The trading and performance of our Shares following our Listing is subject to fluctuations

Upon completion of our Listing, the trading price of our Shares could be subject to significant fluctuation due to factors specific to our Group or industry in which our Group is operating. Some factors may not be within our control and are unrelated or disproportionate to our financial results. These factors may include, among others, variations in the results of our operations, changes in analyst's recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of the stock market is also affected by the external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on the stock market, thus adding risks to the market price of our Shares.

9.4 OTHER RISKS

9.4.1 Our Promoters will be able to exercise significant control over our Company

Upon Listing, our Promoters will collectively hold approximately 63.2% of our enlarged number of issued Shares. As a result, they will be able to effectively control the business direction and management of our Group and as such there can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders. The interests of our Promoters may differ from the interests of our other shareholders and they may be able to exercise significant influence over the vote of our Shares. Our Promoters could also have significant influence in determining the outcome of any corporate transactions or other matters submitted to our shareholders for approval. This includes the election of Directors, approval of business ventures and having substantial voting control over our Group. As such, our Promoters will have a deciding vote on the outcome of any ordinary resolution (which requires a simple majority of 50% plus 1 voting share) to be tabled at general meeting, unless they are required to abstain from voting by law, relevant guidelines or regulations.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition of Butterfield (M), Acquisition of G Brew Marketing, Acquisition of Golden Chemical (Thailand) and as disclosed below, there were no transactions, existing and/ or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/ or persons connected with them which are material to our Group during FYE 2023 to 2026 and up to LPD:

						Transaction value									
						FYE 2023		FYE 2024		FYE 2025		FYE 2026		1 May 2026 up to LPD	
No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	[4]%
(a)	Golden Chemical	G Brew Marketing	• Yeap Kim Siew • Yeap Chin Loon • Kok Yook Yeen • Yeap Mong Sie • Lee Mong Khai	Yeap Kim Siew is our Promoter, Non-Independent Non-Executive Deputy Chairman and substantial shareholder Yeap Chin Loon and Lee Mong Khai are our Promoters, Executive Directors and substantial shareholders Kok Yook Yeen is the spouse of Yeap Kim Siew and mother of Yeap Chin Loon and Yeap Mong Sie	Purchase of food ingredients by G Brew Marketing from Golden Chemical	(1,082)	[1]1.4	(939)	[1]1.0	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2023		FYE 2024		FYE 2025		FYE 2026		1 May 2026 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	[4]%
				Yeap Mong Sie is the daughter of Yeap Kim Siew and Kok Yook Yeen, sister of Yeap Chin Loon and wife of Lee Mong Khai Kok Yook Yeen and Yeap Mong Sie are our shareholders Yeap Chin Loon and Lee Mong Khai are directors of G Brew Marketing Yeap Kim Siew and Kok Yook Yeen are shareholders of Golden Chemical Yeap Chin Loon and Yeap Mong Sie are directors of Golden Chemical										

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2023		FYE 2024		FYE 2025		FYE 2026		1 May 2026 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	[4]%
(b)	Golden Chemical	Golden Chemical FB	• Yeap Kim Siew • Yeap Chin Loon • Kok Yook Yeen • Yeap Mong Sie • Lee Mong Khai	Yeap Kim Siew is our Promoter, Non-Independent Non-Executive Deputy Chairman and substantial shareholder Yeap Chin Loon and Lee Mong Khai are our Promoters, Executive Directors and substantial shareholders Kok Yook Yeen is the spouse of Yeap Kim Siew and mother of Yeap Chin Loon and Yeap Mong Sie Yeap Mong Sie is the daughter of Yeap Kim Siew and Kok Yook Yeen, sister of Yeap Chin Loon and wife of Lee Mong Khai	Transfer of Assets[5]	-	-	-	-	(7,165)	[2]5.1	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2023		FYE 2024		FYE 2025		FYE 2026		1 May 2026 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	[4]%
				Kok Yook Yeen and Yeap Mong Sie are our shareholders Yeap Chin Loon and Lee Mong Khai are directors of Golden Chemical FB Yeap Kim Siew and Kok Yook Yeen are shareholders of Golden Chemical Yeap Chin Loon and Yeap Mong Sie are directors of Golden Chemical										
(c)	Yeap Chin Loon	Butterfield (M)	Yeap Chin Loon	Yeap Chin Loon is our Promoter, Executive Director and substantial shareholder Yeap Chin Loon is a director of Butterfield (M)	Repayment of advances to Yeap Chin Loon by Butterfield (M)	-	-	-	-	(2,051)	[2]1.4	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2023		FYE 2024		FYE 2025		FYE 2026		1 May 2026 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	[4]%
(d)	Yeap Kim Siew	BFB	Yeap Kim Siew	Yeap Kim Siew is our Promoter, Non-Independent Non-Executive Deputy Chairman and substantial shareholder	Advances from Yeap Kim Siew to BFB for working capital requirements	-	-	-	-	20,820	[2]14.7	-	-	-	-
					Administrative expenses paid on behalf by Yeap Kim Siew	7	[2]<0.1	5	[2]<0.1	-	-	-	-	-	-
					Repayment of expenses paid on behalf by Yeap Kim Siew	-	-	-	-	(16)	[2]<0.1	-	-	-	-
					Capitalisation of advances to share capital in BFB[6]	-	-	-	-	20,820	[2]14.7	-	-	-	-
(e)	Lee Mong Khai	Golden Chemical (Thailand)	Lee Mong Khai	Lee Mong Khai is our Promoter, Executive Director/ Chief Executive Officer and substantial shareholder Lee Mong Khai is a director of Golden Chemical (Thailand)	Repayment of advances to Lee Mong Khai by Golden Chemical (Thailand)	-	-	-	-	(3)	[2]<0.1	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2023		FYE 2024		FYE 2025		FYE 2026		1 May 2026 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	[4]%
(f)	Kotchasilp	MJC Global	Chaiyong Kotchapant	Chaiyong Kotchapant is a non-executive director and 35.0%-shareholder of MJC Global, who has no relationship with our Promoters He is also a director and 51.0%-shareholder of Kotchasilp	Sales of sugar to Kotchasilp[7]	109	[3]0.1	149	[3]0.1	99	[3]<0.1	31	[3]<0.1	-	-
					Manufacturing of instant beverage premixes such as 3-in-1 coffee, instant black coffee, instant tea premix for MJC Global[8]	(706)	[1]0.9	(337)	[1]0.3	(785)	[1]0.4	(704)	[1]0.3	(149)	N/A
(g)	Kotchasilp	Golden Chemical (Thailand)	Chaiyong Kotchapant	Chaiyong Kotchapant is a non-executive director and 35.0%-shareholder of MJC Global, who has no relationship with our Promoters He is also a director and 51.0%-shareholder of Kotchasilp	Sales of coffee extract powder blends and non-dairy creamer to Kotchasilp from Golden Chemical (Thailand)[8]	300	[3]0.3	468	[3]0.4	877	[3]0.4	2,526	[3]0.9	725	N/A

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2023		FYE 2024		FYE 2025		FYE 2026		1 May 2026 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	[4]%
				MJC Global is a 65.0%-owned subsidiary of Golden Chemical (Thailand)											
(h)	Sipsense Co., Ltd[9]	Golden Chemical (Thailand)	Lee Mong Khai	Sipsense Co., Ltd was a former subsidiary of Golden Chemical (Thailand) Lee Mong Khai was a director of Sipsense Co., Ltd Lee Mong Khai is a director of Golden Chemical (Thailand) Lee Mong Khai is our Promoter, Executive Director/ Chief Executive Officer and substantial shareholder	Sales of syrup from Golden Chemical (Thailand) to Sipsense Co., Ltd	-	-	-	-	27	[3]<0.1	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2023		FYE 2024		FYE 2025		FYE 2026		1 May 2026 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	[4]%
(i)	• Lee Mong Khai • Yeap Seah Khim	Golden Chemical (Thailand)	• Lee Mong Khai • Yeap Seah Khim	Lee Mong Khai is our Promoter, Executive Director/ Chief Executive Officer and substantial shareholder Lee Mong Khai is a director of Golden Chemical (Thailand) Yeap Seah Khim is the late nephew of Yeap Kim Siew and was a director of Golden Chemical (Thailand)	Acquisition of 15.0% equity interests each from Lee Mong Khai and Yeap Seah Khim in MJC Global[10]	-	-	-	-	(38)	[2]<0.1	-	-	-	-
(j)	Chanthana Sae-Wong	BFB	Chanthana Sae-Wong	Chanthana Sae-Wong is a 51.0%-shareholder of Golden Chemical (Thailand) Golden Chemical (Thailand) is a 49.0%-owned subsidiary of BFB	Acquisition of 3.0% equity interests from Chanthana Sae-Wong in Golden Chemical (Thailand)[11]	-	-	-	-	-	-	(451)	[2]0.3	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Notes:

(1) Computed based on our Group's cost of sales for each of the respective financial years.

(2) Computed based on our Group's NA for each of the respective financial years.

(3) Computed based on our Group's revenue for each of the respective financial years.

(4) Not applicable as we did not prepare any financial statements from 1 May 2026 up to LPD.

(5) Golden Chemical was incorporated on 18 October 1983 and was principally involved in the sales and trading of food ingredients. In the past, Golden Chemical has been renting out its properties to third parties. On 4 January 2024, our Group incorporated Golden Chemical FB to assume the business of sales and trading of food ingredients from Golden Chemical. Upon completion of the Transfer of Assets, Golden Chemical has changed its principal activity to property investment.

In May 2024, pursuant to the Transfer of Assets, Golden Chemical FB (our Group's wholly-owned subsidiary) acquired the plant and equipment, and inventories from Golden Chemical for a total consideration of RM7.16 million which was satisfied by the issuance of 34,412,790 new BFB Shares. The purchase consideration was based on NBV of the assets transferred as at 30 April 2024. For clarity, following the completion of the Transfer of Assets, our Group does not and will not carry out any business transactions with Golden Chemical (whose current principal activity is property investment), nor intends to enter into any such business transactions in future. Please refer to Section 6.2.3 for further details.

(6) We have undertaken the Capitalisation whereby our Company had on 19 November 2024 capitalised the amount owing by our Company to Yeap Kim Siew of RM20.82 million, by issuing 100,000,000 new BFB Shares to him at an issue price of RM0.2082 each. The amount owing by our Company to Yeap Kim Siew of RM20.82 million was settled via the Capitalisation instead of a cash repayment to Yeap Kim Siew as such arrangement allows our Group to meet our increasing working capital requirements without obtaining any banking facilities.

(7) Subsequent to FYE 2026, MJC Global does not sell sugar to Kotchasilp.

(8) These transactions will subsist after Listing.

(9) Sipsense Co., Ltd was a private company incorporated under the laws of Thailand on 28 February 2024 by Golden Chemical (Thailand) (70.0%) and Desmond Lim Li Chiong (30.0%). The directors were Lee Mong Khai, late Yeap Seah Khim and Desmond Lim Li Chiong. Sipsense Co., Ltd was wound up on 20 December 2024 after its plan to undertake the business of distributing syrup in Thailand did not materialise.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(10) On 3 September 2024, Golden Chemical (Thailand) acquired additional 30.0% equity interests in MJC Global collectively from Lee Mong Khai and the late Yeap Seah Khim for a purchase consideration of RM0.04 million, after taking into consideration their costs of investment, resulting in the increase of Golden Chemical (Thailand)'s shareholdings in MJC Global from 35.0% to 65.0%.

(11) On 2 May 2025, BFB acquired additional 3.0% equity interests in Golden Chemical (Thailand) from Chanthana Sae-Wong for a purchase consideration of RM0.45 million, after taking into consideration of the unaudited NA of Golden Chemical (Thailand) as at 30 April 2025, resulting in the increase of BFB's shareholdings in Golden Chemical (Thailand) from 46.0% to 49.0%.

The related party transactions set out below, were not conducted on arm's length basis:

(aa) in the past, MJC Global bulked purchase sugar to secure more favourable pricing from its supplier. MJC Global subsequently sold excess sugar not used by them, to Kotchasilp ranging from 6.8% to 30.7% mark-up on cost price, as disclosed in item (f) above. For clarification, MJC Global sold the excess sugar only to Kotchasilp and not to any other parties. As such, MJC Global did not procure comparable quotes to ascertain the market rates of such transaction as it was immaterial and will not subsist;

(bb) the manufacturing costs for instant beverage premixes charged by Kotchasilp (as disclosed in item (f) above) are comparatively lower, primarily due to the lower labour costs in Southern Thailand (where MJC Global and Golden Chemical (Thailand) are also located). Our Group is unable to obtain comparable quotations within the same region, as Kotchasilp is the sole service provider for instant beverage manufacturing in Southern Thailand. As a result, our Group has no access to comparable market rates within the same geographical area. The next nearest alternative service provider is located in Bangkok, where the manufacturing costs are at least 30% higher. As such, although not at arm's length, the rates transacted were rates that are not detrimental to our Group; and

(cc) the transaction relating to the sales of syrup from our Group to Sipsense Co., Ltd, as disclosed in item (h) above, was not conducted on an arm's length basis, as our Group did not procure comparable quotes to ascertain the market rates of such transaction as it was immaterial and one-off in nature. For clarification, this was a one-off transaction, arising from an initial plan of Golden Chemical (Thailand) to establish Sipsense Co., Ltd in response to a business opportunity involving an Indonesian manufacturer intending to distribute syrup in Thailand. However, such business opportunity did not materialise and as such, Sipsense Co., Ltd was wound up on 20 December 2024.

The transactions in relation to advances between our Group and its related parties, and expenses paid on behalf of our Group's related parties were also not conducted on arm's length basis as they were interest free. However, all such advances and payments on behalf have been fully settled by the related parties as at LPD, and moving forward, our Group will no longer pay on behalf or receive payments on behalf of our Group and provide or receive any advances to or from our Group's related parties nor provide any advances to our related parties.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Save as disclosed above, our Board is of the view that all other related party transactions, were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties than those generally available to the public and are not detrimental to our Group, based on the following:

(i) for transaction in item (a), purchase of food ingredients were based on market rates and comparable to the price charged by Golden Chemical to other non-related parties;

(ii) the Transfer of Assets as disclosed as item (b) above, were transacted based on NBV of the assets transferred as at 30 April 2024, and the measures implemented to mitigate any potential or future conflicts of interest are set out in Section 11.1.1; and

(iii) for transaction in item (g), sales of coffee extract powder blends and non-dairy creamer were based on market rates and comparable to the price charged to other non-related third parties.

In relation to the manufacturing of instant beverage premixes by Kotchasilp (as disclosed in item (f) above), our Group will continue to monitor the availability of comparable suppliers within the region and will conduct periodic price benchmarking exercises as and when alternative sources become available. Our Company will also ensure that the pricing and terms of supply from Kotchasilp remain more favourable than, or at least comparable to, those offered by the nearest alternative supplier outside the region, so as to align the transaction as closely as possible with arm's length principles going forward. The measures implemented to mitigate any potential or future conflicts of interest are set out in Section 11.1.2.

As at the date of this Prospectus, there are no other related party transactions entered into by our Group but not yet effected.

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10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

(i) at least 2 other contemporaneous transactions with third parties for similar products and/ or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered by all related parties are fair and reasonable and comparable to those offered by third parties for the same or substantially similar type of products/ services and/ or quantities; or

(ii) in the event that quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

(i) whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;

(ii) the rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and

(iii) whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

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10. RELATED PARTY TRANSACTIONS *(Cont'd)*

For related party transaction that requires prior approval of shareholders, the Directors, major shareholders and/ or persons connected to them, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/ or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transaction, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/ or indirect shareholdings. Such interested Directors and/ or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regards to any related party transaction entered into by us.

10.2 OTHER TRANSACTIONS

10.2.1 Transactions entered into that are unusual in their nature or conditions

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for FYE 2023 to 2026 and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)

(a) Outstanding loans and/ or balances

As at LPD, there are no outstanding loans made by our Group to/ for the benefit of a related party or granted by the related parties for the benefit of our Group.

(b) Guarantees

As at LPD, there are no personal guarantees for banking facilities extended by our Promoters, substantial shareholders and/ or Directors to our Group.

(c) Financial assistance provided for the benefit of a related party

As at LPD, there is no financial assistance provided by us for the benefit of any related party.

(d) Financial assistance provided for the benefit of our Group

As at LPD, there is no financial assistance provided by any related party for the benefit of our Group.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.2.3 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Placement Agent and Underwriter for our Listing:

(a) Agreement dated 18 September 2024 entered into between BFB and M&A Securities for the appointment of M&A Securities as Adviser, Sponsor and Placement Agent for our Listing; and

(b) Underwriting Agreement dated 31 July 2026 entered into between our Company and M&A Securities for the underwriting of 56,000,000 Issue Shares.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

Save as disclosed below, as at LPD, none of our Directors and substantial shareholders has any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as our Group, or have interest in the business of our customers and/ or suppliers:

Name of company	Principal activities	Nature of interest
Cereal Products (M) Sdn Bhd (indirect subsidiary of Khong Guan Limited, a listed company in Singapore)	Trading of food related products	Dato' Seri Lee Kah Choon is our Independent Non-Executive Chairman. He is also an independent non-executive chairman of Cereal Products (M) Sdn Bhd
Leong Hong Oil Mill Sdn Bhd (indirect subsidiary of Khong Guan Limited, a listed company in Singapore)	Trading of food related products	Dato' Seri Lee Kah Choon is our Independent Non-Executive Chairman. He is also an independent non-executive chairman of Leong Hong Oil Mill Sdn Bhd

Our Board is of the view that the involvement of Dato' Seri Lee Kah Choon in Cereal Products (M) Sdn Bhd and Leong Hong Oil Mill Sdn Bhd as non-executive director does not give rise to any existing and potential conflict of interest situation due to the following reasons:

(a) Cereal Products (M) Sdn Bhd focuses on trading of cereal products and Leong Hong Oil Mill Sdn Bhd focuses on trading of bran and pollard products, which are distinct from our Group's businesses in the manufacturing of coffee extract powder blends and tea extract powder blends as well as sales and trading of food ingredients and instant beverage premixes. Due to the different product offerings of our Group as compared to cereal products as well as bran and pollard products, the target customers of these companies are not expected to overlap with that of our Group;

(b) Dato' Seri Lee Kah Choon is not involved in the day-to-day business operations of Cereal Products (M) Sdn Bhd and Leong Hong Oil Mill Sdn Bhd and these companies have their own management teams to undertake the respective day-to-day management and operations. In addition, he is also not involved in the in the day-to-day business operations of our Group as he is our Independent Non-Executive Chairman; and

(c) Dato' Seri Lee Kah Choon does not have any equity interest in either Cereal Products (M) Sdn Bhd or Leong Hong Oil Mill Sdn Bhd, Federal Oats Mills Sdn Bhd and Khong Guan Vegetable Oil Refinery Sdn Bhd, nor in Khong Guan Limited, the ultimate holding company of the said 4 companies.

11. CONFLICT OF INTEREST *(Cont'd)*

11.1.1 Entities which are carrying on a similar or related trade as our Group

Company	Principal activity	Interested Persons/ Nature of interest
Golden Chemical	Property investment *(formerly involved in sales and trading of food ingredients)*	Yeap Kim Siew, Yeap Chin Loon and Lee Mong Khai/ Yeap Kim Siew, Yeap Chin Loon and Lee Mong Khai are our Promoters, Directors and substantial shareholders Yeap Kim Siew is a shareholder of Golden Chemical whilst Yeap Chin Loon is a director of Golden Chemical Lee Mong Khai is the spouse of Yeap Mong Sie (director of Golden Chemical)

Our Group purchased food ingredients from Golden Chemical and the transaction value amounted to RM1.08 million and RM0.94 million in FYE 2023 and 2024 respectively, representing 1.4% and 1.0% of our Group's total cost of sales in FYE 2023 and 2024 respectively. Such transactions were conducted on arm's length basis and are based on competitive commercial terms not more favourable to either any of the parties.

For clarity, since 1983, Golden Chemical was involved in sales and trading of food ingredients until Golden Chemical FB (subsidiary of our Group) acquired the business from Golden Chemical in May 2024. Golden Chemical had since 30 April 2024 ceased its principal activity of sales and trading of food ingredients and is principally involved in property investment. As Golden Chemical also holds investment properties with NBV of RM13.37 million as at 31 December 2024, the shareholders of Golden Chemical, namely, Yeap Kim Siew and Kok Yook Yeen, intended to separate the investment properties in Golden Chemical as part of their private investments. Accordingly, our Company had incorporated a wholly-owned subsidiary, Golden Chemical FB, to assume Golden Chemical's business operations, i.e. sales and trading of food ingredients, as Yeap Kim Siew and Kok Yook Yeen were of the view that the Transfer of Assets is more efficient and enables cost saving as compared to including Golden Chemical as part of our Group's subsidiary and subsequently only transferring the relevant investment properties to Yeap Kim Siew and Kok Yook Yeen. For clarity, upon the completion of the Transfer of Assets, our Group does not have any business transactions or intends to enter into any business transactions with Golden Chemical.

Following the Transfer of Assets, our Group notified relevant stakeholders of the change in operating entity from Golden Chemical to Golden Chemical FB, while Golden Chemical continues as a privately held property investment company. Customers were informed on 30 April 2024 of the change in entity, updated headquarters address, and banking details. Suppliers were notified through the issuance of purchase orders under Golden Chemical FB, with the change in entity communicated concurrently via email. No separate notification was required for investors, as there was no change in our Group's shareholders, ultimate ownership, or control arising from the Transfer of Assets. These measures ensure continuity of business operations and mitigate the risk of confusion among stakeholders.

11. CONFLICT OF INTEREST *(Cont'd)*

11.1.2 Entities which are customers and/ or suppliers of our Group

Name of company	Principal activities	Interested person/ Nature of interest
Kotchasilp as a supplier and customer of our Group	Manufacturing of 3-in-1 instant beverage premixes	Chaiyong Kotchapant/ Chaiyong Kotchapant is a non-executive director and 35.0%-shareholder of MJC Global. He does not participate in the daily management of MJC Global. For clarity, he and his wife, namely Issara Kotchapant are executive directors of Kotchasilp and hold 51.0% and 49.0% equity interests of Kotchasilp, respectively.

As a company which is involved in manufacturing of coffee extract powder blends and tea extract powder blends as well as sales and trading of food ingredients and instant beverage premixes, our Group purchases raw materials as well as food ingredients and instant beverages premixes. In this respect, we have appointed a Thai manufacturer namely Kotchasilp, to undertake the manufacturing of instant beverage premixes such as 3-in-1 coffee, instant black coffee and instant tea premixes, at its facility located in the southern region of Thailand.

Our Group is not materially reliant on this relationship in respect of the manufacturing of instant beverage premixes premised on the following:

(i) The total manufacturing cost to Kotchasilp for FYE 2023 to 2026, are RM0.71 million, RM0.34 million, RM0.79 million and RM0.70 million respectively, while our Group's revenue derived from the sale of instant beverage premixes manufactured by Kotchasilp for FYE 2023 to 2026 are RM7.10 million, RM3.52 million, RM7.49 million and RM6.90 million, respectively, which is approximately 7.3%, 2.9%, 3.1% and 2.5% of our Group's total revenue for each of the financial years under review respectively. Based on the above, revenue derived from the Thai market through instant beverages premixes manufactured by Kotchasilp constituted less than 10.0% of our Group's total revenue in each of the financial years under review;

(ii) In the event Kotchasilp ceases in providing manufacturing services to the Group, the Group leveraging on its experience in the manufacturing of coffee tea extract powder blends and tea extract powder blends in Malaysia, has the capability and resources to set up its own manufacturing operations in Thailand to assume Kotchasilp's role; and

(iii) The Group has the option to appoint alternative manufacturer in another region in Thailand (such as Bangkok) to assume Kotchasilp's role, where the manufacturing costs are estimated to be 30% higher.

Our Group has also sold the following to Kotchasilp:

(i) sugar as food ingredients, amounting to RM0.11 million, RM0.15 million, RM0.10 million and RM0.03 million for FYE 2023 to 2026 respectively. However, subsequent to FYE 2026, our Group has ceased selling sugar to Kotchasilp; and

(ii) coffee extract powder blends and non-dairy creamer amounting to RM0.30 million, RM0.47 million, RM0.88 million and RM2.53 million for FYE 2023 to 2026 respectively.

11. CONFLICT OF INTEREST *(Cont'd)*

Notwithstanding that Kotchasilp is both supplier and customer of our Group, our Board is of the view that there is no concern over the existing or potential conflict of interest between our Group and Kotchasilp, having assessed the following mitigating factors:

(a) **Business activities and customer base**: Our Group is principally involved in the following: (i) manufacturing of coffee extract powder blends and tea extract powder blends; and (ii) sales and trading of food ingredients and instant beverage premixes. Our Group's customers in Thailand mainly consist of business end-users (such as F&B manufacturers as well as cafes and restaurants), instant beverage premix brand owners and wholesalers. In addition, our Group does not manufacture 3-in-1 instant beverage premixes in Malaysia and Thailand. Comparatively, Kotchasilp manufactures 3-in-1 instant beverage premixes under their house brand called "Delong" and targets retail customers (such as grocery shops) in Thailand, and does not have business end-users customers. Accordingly, our Group and Kotchasilp cater to different customer segment and operate different business model;

(b) **Chaiyong Kotchapant's role in MJC Global and Kotchasilp**: The common shareholder of MJC Global and Kotchasilp is Chaiyong Kotchapant. He holds 35.0% of MJC Global and 51.0% of Kotchasilp as at LPD. Chaiyong Kotchapant has been a non-executive director and passive shareholder since the incorporation of MJC Global in July 2020. In addition, he does not have any relationship with our Promoters. For clarification as at LPD, the other director of MJC Global is Lee Mong Khai (our Group's Promoter, substantial shareholder, Executive Director/ Chief Executive Officer). As at LPD, MJC Global is managed and operated by its local management team under the direction of Lee Mong Khai, our Group's Promoter, Executive Director/ Chief Executive Officer and substantial shareholder. As such, Chaiyong Kotchapant does not participate in any business decisions of MJC Global. On the other hand, Chaiyong Kotchapant is responsible for the day-to-day management and operations of Kotchasilp together with his wife, namely Issara Kotchapant; and

(c) **Related party transactions**: The sales of coffee extract powder blends and non-dairy creamer to Kotchasilp from Golden Chemical (Thailand), were conducted on arm's length basis and based on competitive commercial terms that are neither more favourable nor detrimental to either of the parties. However, the sugar sold to Kotchasilp by MJC Global were not conducted on arm's length basis as our Group did not procure comparable quotes to ascertain the market rates of such transaction as it was immaterial and the transaction will not subsist subsequent to LPD.

In relation to the manufacturing costs of instant beverage premixes charged by Kotchasilp, such rates were lower than the alternative market rate in Bangkok, Thailand. However, it is not detrimental to our Group as Kotchasilp is the sole service provider for instant beverage premixes manufacturing in Southern Thailand. The management shall: (i) provide updates on the status of all related party transactions to the Audit and Risk Management Committee on a quarterly basis for disclosure purposes; (ii) engage an independent third-party consultant to conduct periodic benchmarking reviews for Audit and Risk Management Committee to assess whether the manufacturing costs incurred remain reasonable and consistent with industry practices; and (iii) conduct a comprehensive review of the transaction at least annually and report to the Audit and Risk Management Committee. Any material changes in transaction scope, volume, or pricing will prompt an immediate reassessment to ensure continued fairness and alignment with arm's length principles.

11. CONFLICT OF INTEREST *(Cont'd)*

In addition to the above, although our Group only appoints Kotchasilp for the manufacturing of instant beverage premixes such as 3-in-1 coffee, instant black coffee and instant tea premix in Thailand as at LPD, there are no contractual exclusivity that binds our Group to continue engaging the services of Kotchasilp. Furthermore, the instant beverage premix formula is owned and developed by MJC Global and provided to Kotchasilp. Hence, our Group retains the flexibility to source from other Thai manufacturer which are located outside of Southern Thailand, if necessary, and as such, our Group is not dependent on Kotchasilp. Our Group's proprietary know-how and competitive advantage reside in its internally developed coffee and tea extract blends, which determine the final taste profile and product consistency. The formulations of the coffee extract powder blends and tea extract powder blends are strictly controlled within our Group. Accordingly, while Kotchasilp has access to the premix formulations required for production and in the event Kotchasilp ventures into business activities similar to our Group, Kotchasilp does not have access to our Group's formulations of the coffee extract powder blends and tea extract powder blends, and our Group has the flexibility to source from other Thai manufacturer which are located outside of Southern Thailand. Without these coffee extract powder blends and tea extract powder blends, the exact taste and quality characteristics of our Group's products cannot be replicated. Further, the success of our Group's business activities is also dependent on factors other than the premix formulations, such as sales and pricing strategies, payment terms and reputation in the industry.

Our Board is of the opinion that there is no concerns over the past conflict of interest situation, having assessed the following mitigating factors as stated above.

Moving forward, the Audit and Risk Management Committee will supervise any actual or potential conflict of interest situations. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Audit and Risk Management Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Audit and Risk Management Committee will then first evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Audit and Risk Management Committee will then:

(a) immediately inform our Board of the conflict of interest situation; and

(b) make recommendations to our Board to direct the conflicted Director to:

  (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
  (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b)(ii) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Audit and Risk Management Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may, however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

11. CONFLICT OF INTEREST *(Cont'd)*

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Audit and Risk Management Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

11.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

(a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Sponsor, Placement Agent and Underwriter for our Listing;

(b) Ong and Manecksha and Solis: Law Practice Management has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors for our Listing;

(c) Grant Thornton Malaysia PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our Listing; and

(d) SMITH ZANDER has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the IMR for our Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The financial information contained in the ensuing sections relates to the audited financial statements of Butterfield (M), Golden Chemical (Thailand), G Brew Marketing and MJC Global for FYE 2023 and 2024. On 4 January 2024, we incorporated a wholly-owned subsidiary Golden Chemical FB, which assumed the business operations of Golden Chemical, i.e. the sales and trading of food ingredients via the Transfer of Assets which was completed on 1 May 2024.

The historical financial information for FYE 2023 to 2026 has been prepared in accordance with MFRS and IFRS. The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows. It should be read in conjunction with the Management's Discussion and Analysis of Results of Operations and Financial Condition and the Accountants' Report set out in Sections 12.2 and 13, respectively.

Our subsidiaries' historical audited financial statements have been prepared in accordance with MFRS for FYE 2023 to 2026, save for Golden Chemical (Thailand) and MJC Global which were prepared in accordance with IFRS in Thailand.

12.1.1 Consolidated statements of comprehensive income

The following table sets out a summary of our audited consolidated statements of comprehensive income for FYE 2023 to 2026.

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	97,882	120,530	245,333	272,127
Cost of sales	(79,440)	(98,167)	(194,984)	(212,958)
GP	**18,442**	**22,363**	**50,349**	**59,169**
Other income	628	621	444	371
Administrative expenses	(5,695)	(6,490)	(9,778)	(12,118)
Selling and distribution expenses	(1,082)	(1,279)	(1,657)	(1,721)
Operating profit	**12,293**	**15,215**	**39,358**	**45,701**
Finance costs	(70)	(40)	(14)	(8)
Finance income	158	235	366	436
PBT	**12,381**	**15,410**	**39,710**	**46,129**
Taxation	(2,844)	(3,976)	(9,301)	(11,093)
PAT	**9,537**	**11,434**	**30,409**	**35,036**
Other comprehensive income, net of tax:				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	252	(166)	41	(1,511)
Total comprehensive income for the financial year	**9,789**	**11,268**	**30,450**	**33,525**
Profit attributable to:				
Owners of our Company	8,672	10,642	26,848	30,397
Non-controlling interests	865	792	3,561	4,639
	9,537	**11,434**	**30,409**	**35,036**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total comprehensive income attributable to:				
Owners of our Company	8,779	10,571	26,866	29,676
Non-controlling interests	1,010	697	3,584	3,849
	9,789	**11,268**	**30,450**	**33,525**
EBIT (RM'000)[(1)]	12,293	15,215	39,358	45,701
EBITDA (RM'000)[(1)]	13,338	16,305	40,779	47,155
GP margin (%)[(2)]	18.8	18.6	20.5	21.7
PBT margin (%)[(3)]	12.6	12.8	16.2	17.0
PAT margin (%)[(4)]	9.7	9.5	12.4	12.9
Basic EPS (sen)[(5)]	1.3	1.6	4.1	4.7
Diluted EPS (sen)[(6)]	1.1	1.3	3.4	3.8

Notes:

(1) EBIT and EBITDA are calculated as follows:

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
PAT	9,537	11,434	30,409	35,036
Less:				
Interest income	(158)	(235)	(366)	(436)
Add:				
Finance costs	70	40	14	8
Taxation	2,844	3,976	9,301	11,093
EBIT	**12,293**	**15,215**	**39,358**	**45,701**
Add:				
Depreciation	1,045	1,090	1,421	1,454
EBITDA	**13,338**	**16,305**	**40,779**	**47,155**

(2) Calculated based on GP divided by revenue.

(3) Calculated based on PBT divided by revenue.

(4) Calculated based on PAT divided by revenue.

(5) Calculated based on PAT attributable to owners of our Company divided by our share capital of 650,000,000 Shares before our IPO.

(6) Calculated based on PAT attributable to owners of our Company divided by our enlarged share capital of 800,000,000 Shares after our IPO.

12. FINANCIAL INFORMATION *(Cont'd)*

12.1.2 Consolidated statements of financial position

The following table sets out the audited consolidated statements of financial position of our Group as at 30 April 2023, 2024, 2025 and 2026.

	Audited			
	As at 30 April			
	2023	**2024**	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Non-current assets				
Property, plant and equipment	19,586	19,032	20,024	20,891
Right-of-use assets	-	380	239	89
Total non-current assets	**19,586**	**19,412**	**20,263**	**20,980**
Current assets				
Inventories	13,784	17,282	(1)47,570	50,684
Trade receivables	24,366	35,130	55,358	65,631
Other receivables, deposits and prepayments	518	(2)4,119	2,357	(2)5,146
Current tax assets	-	-	15	41
Cash and bank balances	14,727	7,814	26,771	19,148
Total current assets	**53,395**	**64,345**	**132,071**	**140,650**
TOTAL ASSETS	**72,981**	**83,757**	**152,334**	**161,630**
EQUITY AND LIABILITIES				
Share capital	1	(3)2,876	(4)104,102	104,102
Invested equity	10,300	10,300	-	-
Merger deficit(5)	-	-	(54,913)	(54,913)
Foreign currency translation reserve	246	81	122	(1,389)
Retained profits	45,516	56,253	83,209	84,432
	56,063	69,510	132,520	132,232
Non-controlling interests	5,165	5,862	9,276	12,638
TOTAL EQUITY	**61,228**	**75,372**	**141,796**	**144,870**
Non-current liabilities				
Borrowings	395	51	13	-
Lease liability	-	242	98	-
Deferred tax liabilities	780	915	799	1,037
Total non-current liabilities	**1,175**	**1,208**	**910**	**1,037**
Current liabilities				
Trade payables	3,021	2,438	3,021	(6)10,971
Other payables and accruals	371	473	590	389
Amount due to directors	4,941	2,070	-	-
Borrowings	858	342	38	12
Lease liability	-	140	144	92
Current tax liabilities	1,387	1,714	5,835	4,259
Total current liabilities	**10,578**	**7,177**	**9,628**	**15,723**
TOTAL LIABILITIES	**11,753**	**8,385**	**10,538**	**16,760**
TOTAL EQUITY AND LIABILITIES	**72,981**	**83,757**	**152,334**	**161,630**

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

(1) Inventories increased to RM47.57 million as at 30 April 2025 (as at 30 April 2024: RM17.28 million) mainly due to higher inventory levels maintained for coffee extract powder in anticipation of increased demand from our customers in FYE 2026, coupled with the addition of inventories arising from the Transfer of Assets. Hence, the inventories' growth rate of 175.3% was higher than the revenue growth rate of 103.5% from FYE 2024 to 2025.

(2) Other receivables, deposits and prepayments increased to RM4.12 million as at 30 April 2024 (as at 30 April 2023: RM0.52 million) mainly due to advances paid to suppliers for the purchase of coffee extract powder. This was due to our Group's increased purchases of coffee extract powder in anticipation of increased demand from our customers in FYE 2025.

Our Group's other receivables, deposits and prepayments increased to RM5.15 million as at 30 April 2026 (as at 30 April 2025: RM2.36 million) mainly due to Listing expenses and advances paid to suppliers for the purchase of coffee extract powder. This was due to our Group's increased purchases of coffee extract powder in anticipation of increased demand from our customers in FYE 2027.

(3) Share capital increased to RM2.88 million as at 30 April 2024 due to allotment of 2,875,565 new BFB Shares by way of capitalising the amount owing by our Company to our Directors, as purchase consideration for the Acquisition of Golden Chemical (Thailand) as set out in Section 6.2.1.

(4) Share capital increased to RM104.10 million as at 30 April 2025 due to the following: (i) capital injection by Yeap Kim Siew amounted to RM8.03 million on 17 October 2024; (ii) issuance of new BFB Shares for the settlement of RM63.95 million for the Acquisition of Butterfield (M) as set out in Section 6.2.4; (iii) issuance of new BFB Shares for the settlement of RM1.26 million for the Acquisition of G Brew Marketing as set out in Section 6.2.5; and (iv) Capitalisation of RM20.82 million as set out in Section 6.2.6. Please refer to Note (10) of Section 13 (Accountants' Report) for further details.

(5) Arise from the differences between the cost of acquisition of subsidiaries and the share capital amount of our Group's subsidiaries upon consolidation under the merger accounting principle.

(6) Trade payables increased to RM10.97 million as at 30 April 2026 (as at 30 April 2025: RM3.02 million) mainly due to higher purchases towards the last quarter of FYE 2026.

12. FINANCIAL INFORMATION *(Cont'd)*

12.1.3 Consolidated statements of cash flows

The following table sets out the audited consolidated statements of cash flows of our Group for FYE 2023 to 2026.

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities				
PBT	12,381	15,410	39,710	46,129
Adjustments for:				
Accretion of interest on lease liability	-	3	8	4
Allowance for expected credit losses on trade receivables	20	6	-	-
Depreciation of property, plant and equipment	1,045	1,041	1,278	1,313
Depreciation of right-of-use assets	-	49	143	141
Gain on disposal of property, plant and equipment	-	(45)	(30)	-
Interest expense	70	37	6	4
Interest income	(158)	(235)	(366)	(436)
Unrealised loss on foreign exchange	333	-	-	325
Operating profits before working capital changes	**13,691**	**16,266**	**40,749**	**47,480**
Changes in:				
Inventories	2,677	(3,496)	(23,604)	(3,542)
Receivables	3,849	(14,665)	(18,405)	(14,373)
Payables	(8,433)	(285)	657	8,455
Cash from/(used in) operations	**11,784**	**(2,180)**	**(603)**	**38,020**
Income tax paid	(2,419)	(3,506)	(5,313)	(12,367)
Interest paid	(70)	(37)	(6)	(4)
Net cash from/(used in) operating activities	**9,295**	**(5,723)**	**(5,922)**	**25,649**
Cash flows from investing activities				
Acquisition from non-controlling interests	-	-	(38)	(450)
Interest received	158	235	366	436
Proceeds from disposal of property, plant and equipment	-	74	30	-
Purchase of property, plant and equipment	(206)	(525)	(1,782)	(2,208)
Net cash used in investing activities	**(48)**	**(216)**	**(1,424)**	**(2,222)**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from financing activities				
Dividends paid	-	-	-	(30,000)
Net changes in directors' balances	4	5	18,749	-
Proceeds from issuance of ordinary shares	-	-	8,027	-
Repayment of finance lease liability	(21)	(37)	(37)	(38)
Repayment of term loans	(1,168)	(821)	(305)	-
Repayment of lease liability	-	(51)	(149)	(147)
Net cash (used in)/ from financing activities	**(1,185)**	**(904)**	**26,285**	**(30,185)**
Net increase/ (decrease) in cash and bank balances	**8,062**	**(6,843)**	**18,939**	**(6,758)**
Effect of exchange rate changes on cash and cash equivalents	116	(70)	18	(865)
Cash and bank balances at the beginning of the financial year	6,549	14,727	7,814	26,771
Cash and bank balances at the end of the financial year	**14,727**	**7,814**	**26,771**	**19,148**

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12. FINANCIAL INFORMATION *(Cont'd)*

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and segmental analysis of our consolidated financial information for FYE 2023 to 2026 should be read with the Accountants' Report included in Section 13.

12.2.1 Overview of our operations

(a) Principal activities

Our Group is principally involved in the following:

- manufacturing of coffee extract powder blends and tea extract powder blends, where we sell these blends either directly to business end-users or indirectly via appointed distributors which sell the products to business end-users in their respective countries; and

- sales and trading of food ingredients and instant beverage premixes, where we purchase readily available food ingredients from third-party suppliers for onward sale to our customers, which are sold in Malaysia, Cambodia and Thailand while our instant beverage premixes are sold in Malaysia and Thailand. The instant beverage premixes we offer in Malaysia are generally readily available products. However, the instant beverage premixes offered in Thailand, consisting of instant coffee premixes, instant tea premixes and instant cocoa premixes are customisable to meet specific customer requirements.

Please refer to Section 7.2 for our Group's detailed description of our business.

(b) Revenue

Our revenue is derived from the sale of finished coffee extract powder blends and tea extract powder blends which we manufacture, and the sales and trading of food ingredients and instant beverage premixes. Our revenue is derived from local and overseas markets. Our Group recognises revenue at a point in time when control of the goods is transferred to the customer.

(c) Cost of sales

Our cost of sales comprise raw material costs, costs of trading goods, labour costs and overhead costs.

(d) Other income

Other income mainly comprise gain on disposal of property, plant and equipment and realised gain on foreign exchange.

(e) Administrative expenses

Administrative expenses mainly comprise staff-related costs, directors' remuneration, depreciation expenses, professional fees, travelling expenses, realised and unrealised loss on foreign exchange, quit rent and assessment, rental expenses, security fees as well as upkeep and maintenance.

12. FINANCIAL INFORMATION *(Cont'd)*

(f) Selling and distribution expenses

Selling and distribution expenses comprise transportation costs, marketing expenses, entertainment expenses and travelling expenses.

(g) Finance costs

Finance costs comprise interest expense on term loans, finance lease liability and accretion of interest on lease liability.

(h) Finance income

Finance income arises solely from interest income from deposits with licensed banks.

(i) Recent developments

There were no significant events subsequent to our audited consolidated financial statements for FYE 2023 to 2026.

(j) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during FYE 2023 to 2026. In addition, our audited consolidated financial statements for FYE 2023 to 2026 were not subject to any audit qualifications.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.2.2 Review of our results of operations

(a) Revenue

Analysis of revenue by business segments

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of coffee extract powder blends and tea extract powder blends	**88,147**	**90.1**	**113,657**	**94.3**	**183,435**	**74.8**	**212,641**	**78.1**
- Coffee extract powder blend	80,470	82.2	104,132	86.4	170,677	69.6	194,908	71.6
- Tea extract powder blend	7,677	7.9	9,525	7.9	12,758	5.2	17,733	6.5
Sales and trading of food ingredients and instant beverage premixes	**9,735**	**9.9**	**6,873**	**5.7**	**61,898**	**25.2**	**59,486**	**21.9**
- Food ingredients	2,631	2.7	3,350	2.8	54,411	22.2	52,583	19.3
- Instant beverage premixes	7,104	7.2	3,523	2.9	7,487	3.0	6,903	2.6
	97,882	**100.0**	**120,530**	**100.0**	**245,333**	**100.0**	**272,127**	**100.0**

Analysis of revenue by geographical market

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
Geographical market[(1)]	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	**53,616**	**54.8**	**62,798**	**52.1**	**146,972**	**59.9**	**155,030**	**57.0**
Overseas	**44,266**	**45.2**	**57,732**	**47.9**	**98,361**	**40.1**	**117,097**	**43.0**
• Thailand	34,881	35.6	47,427	39.4	84,652	34.5	103,518	38.0
• Taiwan	6,198	6.3	4,450	3.7	3,892	1.6	4,172	1.5
• Indonesia	2,815	2.9	3,896	3.2	6,696	2.7	6,886	2.5
• China	108	0.1	1,036	0.9	383	0.2	1,011	0.4
• Papua New Guinea	264	0.3	272	0.2	507	0.2	-	-
• Philippines	-	-	651	0.5	1,326	0.5	-	-
• Cambodia	-	-	-	-	905	0.4	723	0.3
• Middle East	-	-	-	-	-	-	787	0.3
	97,882	**100.0**	**120,530**	**100.0**	**245,333**	**100.0**	**272,127**	**100.0**

Note:

(1) Revenue by geographical market is based on the place of domicile of our Group's customers.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2023 and FYE 2024

Our revenue increased by RM22.65 million or 23.1%, to RM120.53 million for FYE 2024 (FYE 2023: RM97.88 million). This was contributed by higher revenue recorded for the manufacturing of coffee extract powder blends and tea extract powder blends segment, which was offset by lower revenue recorded for the sales and trading of food ingredients and instant beverage premixes segment.

The manufacturing of coffee extract powder blends and tea extract powder blends segment was the primary contributor to our revenue, which contributed an increase of RM25.51 million or 28.9%, to RM113.66 million or 94.3% of our total revenue for FYE 2024 (FYE 2023: RM88.15 million or 90.1% of our total revenue).

The Malaysian and Thailand markets were our primary markets, which collectively contributed RM110.23 million or 91.5% of our total revenue for FYE 2024 (FYE 2023: RM88.50 million or 90.4% of our total revenue). Revenue from the Malaysian market increased by RM9.18 million or 17.1%, to RM62.80 million for FYE 2024 (FYE 2023: RM53.62 million), primarily due to higher revenue from the sales of coffee extract powder blends as further detailed below.

The overseas market contributed RM57.73 million or 47.9% of our total revenue for FYE 2024 (FYE 2023: RM44.27 million or 45.2%). This was mainly driven by Thailand, which recorded higher revenue from the sale of coffee extract powder blends, primarily attributable to the increased orders from two of our major customers in Thailand. During FYE 2024, we also expanded our operations in Thailand by renting a 2nd warehouse located in Samut Prakarn Province, Thailand, allowing us to cater for the increased sales orders from the Thailand market.

Manufacturing of coffee extract powder blends and tea extract powder blends

Our revenue from this segment increased by RM25.51 million or 28.9%, to RM113.66 million in FYE 2024 (FYE 2023: RM88.15 million). This was mainly due to higher demand from local and overseas customers for our coffee extract powder blends and tea extract powder blends. The sales volume of coffee extract powder blends increased from 2,415,072 kg in FYE 2023 to 2,913,100 kg in FYE 2024, while the sales volume of tea extract powder blends increased from 124,424 kg in FYE 2023 to 138,222 kg in FYE 2024.

A significant portion of this growth came from our major customers who increased their purchase volumes, reflecting strong customer loyalty and satisfaction with our products. Sales of coffee extract powder blends and tea extract powder blends to our top 4 major customers within this segment in FYE 2024 amounted to RM45.92 million (FYE 2023: RM25.80 million). The revenue growth in this segment was also supported by the increase in average selling price of coffee extract powder blends by 7.3% and tea extract powder blends by 11.7% in FYE 2024, following an upward revision in selling prices during FYE 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

Sales and trading of food ingredients and instant beverage premixes

Our revenue from this segment decreased by RM2.87 million or 29.5%, to RM6.87 million in FYE 2024 (FYE 2023: RM9.74 million). This was mainly due to reduction in sales of instant beverage premixes to a major customer in Thailand, namely Supergold Coffee Plus Co., Ltd. The said customer anticipated a price increase in FYE 2024 and hence, placed more orders towards the end of FYE 2023, resulting in lower demand in FYE 2024. As at LPD, the said customer continues to place recurring orders with our Group.

For clarity, our Group did not sell any food flavouring products in FYE 2023 and 2024.

Comparison between FYE 2024 and FYE 2025

Our revenue increased by RM124.80 million or 103.5%, to RM245.33 million in FYE 2025 (FYE 2024: RM120.53 million). This was contributed by higher revenue recorded for both the manufacturing of coffee extract powder blends and tea extract powder blends segment, as well as the sales and trading of food ingredients and instant beverage premixes segment.

The manufacturing of coffee extract powder blends and tea extract powder blends segment remained the primary contributor to our revenue, which contributed an increase of RM69.78 million or 61.4%, to RM183.44 million or 74.8% of our total revenue for FYE 2025 (FYE 2024: RM113.66 million or 94.3% of our total revenue).

The Malaysian and Thailand markets continued to be our primary markets, which collectively contributed RM231.62 million or 94.4% of our total revenue for FYE 2025 (FYE 2024: RM110.23 million or 91.5% of our total revenue). Revenue from the Malaysian market increased by RM84.17 million or 134.0% to RM146.97 million for FYE 2025 (FYE 2024: RM62.80 million), primarily due to higher revenue from the sales of coffee extract powder blends and sales of food ingredients as further detailed below.

The overseas market contributed RM98.36 million or 40.1% of our total revenue for FYE 2025 (FYE 2024: RM57.73 million or 47.9%). This was mainly driven by Thailand and Indonesia, which recorded higher revenue from the sales of coffee extract powder blends due to the increase in sales orders in FYE 2025.

Manufacturing of coffee extract powder blends and tea extract powder blends

Our revenue from this segment increased by RM69.78 million or 61.4%, to RM183.44 million in FYE 2025 (FYE 2024: RM113.66 million). This was mainly due to higher demand from local and overseas customers for our coffee extract powder blends and tea extract powder blends. The sales volume of coffee extract powder blends increased from 2,913,100 kg in FYE 2024 to 3,933,571 kg in FYE 2025, and the sales volume of tea extract powder blends increased from 138,222 kg in FYE 2024 to 189,414 kg in FYE 2025.

A significant portion of this growth is from our major customers who increased their purchase volumes during FYE 2025, reflecting strong customer loyalty and satisfaction with our products. Sales of coffee extract powder blends and tea extract powder blends to our top 5 major customers within this segment in FYE 2025 amounted to RM72.74 million (FYE 2024: RM49.20 million). We also recorded higher sales of coffee extract powder blends from the rest of our existing customers, with sales amounting to approximately RM44.39 million in FYE 2025 (FYE 2024: RM18.35 million). The revenue growth in this segment was also supported by the increase in average selling price of coffee extract powder blend by 21.4% in FYE 2025, following an upward revision in selling prices during FYE 2025. Notwithstanding the growth in revenue from tea extract powder blend products sales in FYE 2025, our Group recorded a lower average selling price by 2.3%, primarily due to bulk discounts given to certain customers as part of our volume-based pricing strategy, notwithstanding higher production costs.

Sales and trading of food ingredients and instant beverage premixes

Our revenue for this segment increased by RM55.03 million or 801.0%, to RM61.90 million in FYE 2025 (FYE 2024: RM6.87 million). This was mainly contributed by the sales of food ingredients by Golden Chemical FB amounting to RM50.26 million in FYE 2025, following the completion of the Transfer of Assets on 1 May 2024. In particular, our food flavouring products contributed to a revenue of RM9.87 million in FYE 2025 (FYE 2024: RM Nil) or 18.1% (FYE 2024: Nil %) to our revenue under the food ingredients segment.

In addition, the sales of instant beverage premixes increased by RM3.97 million or 112.8%, to RM7.49 million in FYE 2025 (FYE 2024: RM3.52 million), mainly contributed by higher sales orders from an existing major customer (i.e. Supergold Coffee Plus Co., Ltd) in Thailand primarily for a particular instant coffee premixes product.

Comparison between FYE 2025 and FYE 2026

Our revenue increased by RM 26.80 million or 10.9%, to RM272.13 million in FYE 2026 (FYE 2025: RM245.33 million). This was contributed by higher revenue recorded for the manufacturing of coffee extract powder blends and tea extract powder blends segment.

The manufacturing of coffee extract powder blends and tea extract powder blends segment remained the primary contributor to our revenue, which contributed an increase of RM29.20 million or 15.9%, to RM212.64 million or 78.1% of our Group's total revenue for FYE 2026 (FYE 2025: RM183.44 million or 74.8% of our Group's total revenue).

The Malaysian and Thailand markets continued to be our primary markets, which collectively contributed RM258.55 million or 95.0% of our Group's total revenue for FYE 2026 (FYE 2025: RM231.62 million or 94.4% of our Group's total revenue). Revenue from the Malaysian market increased by RM8.06 million or 5.5% to RM155.03 million for FYE 2026 (FYE 2025: RM146.97 million), primarily due to higher revenue from the sales of coffee extract powder blends and tea extract powder blends as further detailed below.

The overseas market contributed RM117.10 million or 43.0% of our Group's total revenue for FYE 2026 (FYE 2025: RM98.36 million or 40.1%). This was mainly driven by Thailand, which recorded higher revenue from the sales of coffee extract powder blends due to the increase in sales orders in FYE 2026.

12. FINANCIAL INFORMATION *(Cont'd)*

Manufacturing of coffee extract powder blends and tea extract powder blends

Our revenue from this segment increased by RM29.20 million or 15.9%, to RM212.64 million in FYE 2026 (FYE 2025: RM183.44 million). This was mainly due to higher demand from local and overseas customers for our coffee extract powder blends and tea extract powder blends. The sales volume of coffee extract powder blends increased from 3,933,571 kg in FYE 2025 to 4,037,847 kg in FYE 2026, and the sales volume of tea extract powder blends increased from 189,414 kg in FYE 2025 to 255,679 kg in FYE 2026.

A significant portion of this growth is from our existing customers who increased their purchase volumes during FYE 2026, reflecting strong customer loyalty and satisfaction with our products. Our Group recorded higher sales of coffee extract powder blends and tea extract powder blends from existing customers, with sales amounting to approximately RM208.30 million in FYE 2026 (FYE 2025: RM158.95 million). The revenue growth in this segment was also supported by the increase in the average selling price of coffee extract powder blends and tea extract powder blends by 11.2% and 3.0%, respectively in FYE 2026. The increase in average selling price of coffee extract powder blends was primarily attributable to higher purchase prices for coffee extract powder from our suppliers. Meanwhile, the increase in average selling price of tea extract powder blends was mainly driven by the use of higher grade tea extract powder blends, resulting in higher-value products and, consequently, higher average selling prices.

Sales and trading of food ingredients and instant beverage premixes

Our revenue for this segment decreased by RM2.41 million or 3.9%, to RM59.49 million in FYE 2026 (FYE 2025: RM61.90 million). This was mainly contributed by the decrease in sales from the food ingredients by RM1.83 million or 3.4% to RM52.58 million in FYE 2026 (FYE 2025: RM54.41 million), mainly due to a reduction in sales orders from the local customers, whose purchasing volumes fluctuate in line with prevailing market demand.

In addition, the sales of instant beverage premixes decreased by RM0.59 million or 7.9% to RM6.90 million in FYE 2026 (FYE 2025: RM7.49 million), mainly contributed by lower sales orders from an existing major customer (i.e. Supergold Coffee Plus Co., Ltd) in Thailand primarily for a particular instant coffee premixes product. The said decrease was partially offset by new sales order from a new customer during FYE 2026.

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12. FINANCIAL INFORMATION *(Cont'd)*

(b) Cost of sales, GP and GP margin

Analysis of cost of sales by cost components

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Raw material costs[1]	71,743	90.3	92,567	94.3	149,670	76.7	167,700	78.7
Costs of trading goods[2]	5,204	6.6	3,224	3.3	40,322	20.7	38,892	18.3
Labour costs[3]	509	0.6	647	0.6	936	0.5	1,179	0.6
Overhead costs[4]	1,984	2.5	1,729	1.8	4,056	2.1	5,187	2.4
	79,440	**100.0**	**98,167**	**100.0**	**194,984**	**100.0**	**212,958**	**100.0**

Notes:

(1) Comprises mainly costs incurred for the purchase of coffee extract powders, tea extract powders and packaging materials.

(2) Comprises costs incurred for the purchase of food ingredients and instant beverage premixes.

(3) Consists of employees from our production department.

(4) Comprises mainly subcontractor services, carriage inwards and depreciation expenses.

Analysis of cost of sales by business segments

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of coffee extract powder blends and tea extract powder blends	**72,894**	**91.8**	**93,113**	**94.9**	**151,053**	**77.5**	**170,247**	**80.0**
- Coffee extract powder blend	65,836	82.9	85,165	86.8	142,504	73.1	156,032	73.3
- Tea extract powder blend	7,058	8.9	7,948	8.1	8,549	4.4	14,215	6.7
Sales and trading of food ingredients and instant beverage premixes	**6,546**	**8.2**	**5,054**	**5.1**	**43,931**	**22.5**	**42,711**	**20.0**
- Food ingredients	2,176	2.7	2,800	2.9	39,932	20.5	38,658	18.1
- Instant beverage premixes	4,370	5.5	2,254	2.3	3,999	2.0	4,053	1.9
	79,440	**100.0**	**98,167**	**100.0**	**194,984**	**100.0**	**212,958**	**100.0**

12. FINANCIAL INFORMATION *(Cont'd)*

Analysis of GP and GP margin by business segments

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of coffee extract powder blends and tea extract powder blends	**15,253**	**17.3**	**20,544**	**18.1**	**32,382**	**17.7**	**42,394**	**19.9**
- Coffee extract powder blend	14,634	18.2	18,967	18.2	28,173	16.5	38,876	19.9
- Tea extract powder blend	619	8.1	1,577	16.6	4,209	33.0	3,518	19.8
Sales and trading of food ingredients and instant beverage premixes	**3,189**	**32.8**	**1,819**	**26.5**	**17,967**	**29.0**	**16,775**	**28.2**
- Food ingredients	455	17.3	550	16.4	14,479	26.6	13,925	26.5
- Instant beverage premixes	2,734	38.5	1,269	36.0	3,488	46.6	2,850	41.3
	18,442	**18.8**	**22,363**	**18.6**	**50,349**	**20.5**	**59,169**	**21.7**

For information, our Group's GP margin from its manufacturing segment is derived solely from the sales of coffee extract powder blends and tea extract powder blends, which incur higher operating costs compared to the sales and trading of food ingredients and instant beverage premixes segment. Hence, the manufacturing segment recorded a lower margin compared to the sales and trading of food ingredients and instant beverage premixes segment.

Our Group's revenue from the sales and trading of food ingredients and instant beverage premixes segment is generated from the sales of a broad portfolio of products, including dairy and non-dairy products, food additives, cocoa, coffee, and tea-related products, plant-derived products as well as instant beverage premixes. In addition, certain food flavouring products sold during FYE 2025 has a higher GP margin compared to other food ingredient products, which resulted in higher overall GP margin for this segment.

Further, our Group offers readily available food ingredients directly to customers in bulk or packaging sizes ranging from 1 kg to 25 kg. These are provided by our Group's suppliers or as needed, repacked in-house according to customers' packing requirements, and are under our Group's suppliers' brands. Hence, these products generally involve minimal processing. Consequently, this streamlined process has resulted in a higher GP margin in the sales and trading of food ingredients and instant beverage premixes segment compared to the manufacturing of coffee extract powder blends and tea extract powder blends segment.

Comparison between FYE 2023 and FYE 2024

The raw material costs and cost of trading goods are the main components of our cost of sales, which collectively contributed to RM95.79 million or 97.6% of our total cost of sales in FYE 2024 (FYE 2023: RM76.95 million or 96.8% of our total cost of sales).

Our cost of sales increased by RM18.73 million or 23.6%, to RM98.17 million in FYE 2024 (FYE 2023: RM79.44 million). This was mainly due to the raw material costs which increased to RM92.57 million in FYE 2024 (FYE 2023: RM71.74 million), resulting from higher purchases of coffee extract powders and tea extract powders to cater for the increased demand from our customers, which was in tandem with our revenue growth in FYE 2024.

The above increases were partially offset by the decrease in costs of trading goods of RM1.98 million or 38.1% to RM3.22 million for FYE 2024 (FYE 2023: RM5.20 million), which decreased in tandem with the decline in our revenue from the sales of trading of food ingredients and instant beverage premixes.

Our overall GP increased by RM3.92 million or 21.3%, to RM22.36 million in FYE 2024 (FYE 2023: RM18.44 million), which was in tandem with the revenue growth in FYE 2024. Our overall GP margin remained consistent at 18.6% in FYE 2024 (FYE 2023: 18.8%).

Manufacturing of coffee extract powder blends and tea extract powder blends

In tandem with our growth in revenue for this segment, the GP for this segment increased by RM5.29 million or 34.7% to RM20.54 million in FYE 2024 (FYE 2023: RM15.25 million). This was contributed by the higher sales of both coffee extract powder blends and tea extract powder blends for the reasons as explained in Section 12.2.2(a) above.

Our GP margin for this segment improved to 18.1% in FYE 2024 (FYE 2023: 17.3%), primarily due to the higher GP margin recorded for the sales of tea extract powder blends. The improved GP margin for the sales of tea extract powder blends was mainly driven by negotiations for better purchase pricing for raw materials as well as the increase in sales volume for higher grades tea extract powder blends in FYE 2024.

Sales and trading of food ingredients and instant beverage premixes

In tandem with the decrease in revenue for this segment, the GP for this segment decreased by RM1.37 million or 42.9% to RM1.82 million in FYE 2024 (FYE 2023: RM3.19 million). This was contributed by the lower sales of instant beverage premixes as explained in Section 12.2.2(a) above.

Our GP margin for this segment decreased to 26.5% in FYE 2024 (FYE 2023: 32.8%), primarily driven by the higher purchase costs for instant beverage premixes as a result of the increase in purchase costs for coffee extract powder due to the currency strengthening of USD against RM during FYE 2024 leading to higher purchase costs for coffee extract powder. As our cost of sales is subject to fluctuations in the cost of trading goods, we do not immediately adjust products prices to prevent customer dissatisfaction.

Comparison between FYE 2024 and FYE 2025

The raw material costs and cost of trading goods remained the main components of our cost of sales, which collectively contributed to RM189.99 million or 97.4% of our total cost of sales in FYE 2025 (FYE 2024: RM95.79 million or 97.6% of our total cost of sales).

Our cost of sales increased by RM96.81 million or 98.6%, to RM194.98 million in FYE 2025 (FYE 2024: RM98.17 million). This was mainly due to the following:

(a) raw material costs increased to RM149.67 million in FYE 2025 (FYE 2024: RM92.57 million), resulting from the higher purchases of coffee extract powders and tea extract powders to cater for the increased demand from our customers, which was in tandem with the growth in our revenue in FYE 2025;

(b) costs of trading goods increased to RM40.32 million in FYE 2025 (FYE 2024: RM3.22 million), which was in tandem with our revenue growth in the trading of food ingredients and instant beverage premixes; and

(c) overhead costs increased to RM4.06 million in FYE 2025 (FYE 2024: RM1.73 million), mainly attributable to higher transportation costs and customs duties for the purchase of raw materials and costs of trading goods.

Our overall GP increased by RM27.99 million or 125.2%, to RM50.35 million in FYE 2025 (FYE 2024: RM22.36 million), which was in tandem with the revenue growth in FYE 2025. Our overall GP margin increased to 20.5% in FYE 2025 (FYE 2024: 18.6%), contributed by the higher GP margin recorded from the sales and trading of food ingredients and instant beverage premixes segment.

Manufacturing of coffee extract powder blends and tea extract powder blends

In tandem with our growth in revenue for this segment, the GP for this segment increased by RM11.84 million or 57.6%, to RM32.38 million in FYE 2025 (FYE 2024: RM20.54 million). This was contributed by the higher revenue from the sales of both coffee extract powder blends and tea extract powder blends as explained in Section 12.2.2(a) above.

Our GP margin for this segment decreased slightly to 17.7% in FYE 2025 (FYE 2024: 18.1%). This was mainly due to higher purchase prices of coffee extract powders during FYE 2025, where the average global coffee extract powder prices increased significantly from USD3.77/kg in FYE 2024 to USD5.99/kg in FYE 2025 resulting in higher purchases costs. As our cost of sales is subject to fluctuations in the cost of raw materials and foreign exchange, we do not immediately adjust product prices to prevent dissatisfaction amongst the customers. In addition, the weakening of THB against RM during FYE 2025 had partially offset the increase in revenue from the Thailand market, thereby also contributed to the decrease in GP margin in FYE 2025.

Notwithstanding the above, the decrease in GP margin was partially cushioned by a higher GP margin from our sales of tea extract powder blends in FYE 2025, mainly driven by lower raw material costs (such as tea extract powder). Although the global tea price is on an increasing trend from 1st half of 2024 to 2nd half of 2024 (as set out in Section 9.2.1), the lower raw material costs (such as tea extract powder) is due to the bulk discounts received from our suppliers as well as favourable exchange rate movement arising from the weakening of USD against RM during FYE 2025. These bulk discounts are subject to the quantity of orders placed by our Group. For clarity, we also benefited from the bulk discounts from suppliers and favourable exchange rate in our purchase of coffee extract powders during FYE 2025, however, these cost advantages were offset by the higher average global coffee extract powder prices in FYE 2025.

Sales and trading of food ingredients and instant beverage premixes

In tandem with our revenue growth for this segment, the GP for this segment increased by RM16.15 million or 887.4%, to RM17.97 million in FYE 2025 (FYE 2024: RM1.82 million). This was contributed by the higher revenue for the sales of both food ingredients and instant beverage premixes as explained in Section 12.2.2(a) above.

Our GP margin for this segment increased to 29.0% in FYE 2025 (FYE 2024: 26.5%) as we recorded higher GP margin from both the sales of food ingredients and instant beverage premixes. The higher GP margin for the sales of food ingredients was primarily contributed by the higher selling prices of our food flavouring products, which generally yielded a higher GP margin, in particular a food flavouring product sold by Golden Chemical FB in FYE 2025 recorded a GP margin of approximately 54.2%. For clarity, this particular food flavouring product sold by Golden Chemical FB is not a one-off event due to the completion of Transfer of Assets as Golden Chemical has been selling this product since 2000 and subsequently this product is selling under Golden Chemical FB after the Transfer of Assets. Further, our Group continues to receive orders for this particular food flavouring product as at LPD and moving forward we expect that the sales of this product will continue.

The higher GP margin for the sales of instant beverage premixes was mainly driven by the weakening of USD against RM during FYE 2025. Our purchases of instant beverage premixes are substantially imported from China and denominated in USD and as such, the weakening of USD against RM in FYE 2025 compared to FYE 2024 resulted in lower purchase cost of our instant beverage premixes. Further, our ability to offer customised solutions based on our customers' specific requirements for our instant beverage premixes (which are labelled under our customers' own brands) in the Thailand market has enabled us to secure higher selling price.

Comparison between FYE 2025 and FYE 2026

The raw material costs and cost of trading goods remained the main components of our cost of sales, which collectively contributed to RM206.59 million or 97.0% of our total cost of sales in FYE 2026 (FYE 2025: RM189.99 million or 97.4% of our Group's total cost of sales).

Our cost of sales increased by RM17.98 million or 9.2%, to RM212.96 million in FYE 2026 (FYE 2025: RM194.98 million). This was mainly due to the increase in raw material costs to RM167.70 million in FYE 2026 (FYE 2025: RM149.67 million), resulting from the higher purchases of coffee extract powders and tea extract powders to cater for the increased demand from customers, which was in tandem with the growth in our Group's revenue in FYE 2026. However, the increase in our cost of sales was partially offset by the decrease in costs of trading goods to RM38.89 million in FYE 2026 (FYE 2025: RM40.32 million), which was in tandem with the decrease in revenue from the sales and trading of food ingredients and instant beverage premixes.

Our overall GP increased by RM8.82 million or 17.5%, to RM59.17 million in FYE 2026 (FYE 2025: RM50.35 million), which was in tandem with the revenue growth in FYE 2026. Our overall GP margin increased to 21.7% in FYE 2026 (FYE 2025: 20.5%), contributed by the higher GP margin recorded from the manufacturing of coffee extract powder blends and tea extract powder blends segment.

Manufacturing of coffee extract powder blends and tea extract powder blends

In tandem with the growth in revenue for this segment, the GP for this segment increased by RM10.01 million or 30.9%, to RM42.39 million in FYE 2026 (FYE 2025: RM32.38 million) and our Group's GP margin for this segment increased from 17.7% in FYE 2025 to 19.9% in FYE 2026. This was primarily contributed by the increase in average selling price of coffee extract powder blends as explained in Section 12.2.2(a) above, which increased at a higher rate than the corresponding increase in purchase prices for coffee extract powder from our suppliers. This was primarily due to our Group having increased its selling prices during FYE 2026, while continuing to utilise coffee extract powder purchased previously at low prices. As a result, the increase in average selling prices was not immediately accompanied by a corresponding increase in raw material costs recognised during FYE 2026.

Notwithstanding the above, the increase in GP margin was partially offset by a lower GP margin from the sales of tea extract powder blends in FYE 2026, mainly driven by higher raw materials costs (such as tea extract powder) as our Group purchased higher grades tea extract powder in FYE 2026 in connection with the development of new tea extract powder blend products. In addition, our Group no longer benefited from bulk purchase discounts previously offered by existing suppliers, as purchase volumes declined following the shift in focus towards higher grade tea extract powder.

Sales and trading of food ingredients and instant beverage premixes

In tandem with the declined revenue for this segment, the GP decreased by RM1.19 million or 6.6%, to RM16.78 million in FYE 2026 (FYE 2025: RM17.97 million). Consequently, our GP margin for this segment declined to 28.2% in FYE 2026 (FYE 2025: 29.0%), primarily due to lower GP margin from the sales of instant beverage premixes. This was mainly attributable to lower sales orders from an existing major customer, coupled with higher purchase costs for our instant beverage premixes.

12. FINANCIAL INFORMATION *(Cont'd)*

(c) Other income

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Gain on disposal of property, plant and equipment	-	-	45	7.2	30	6.8	-	-
Realised gain on foreign exchange	626	99.7	563	90.7	406	91.4	359	96.8
Others[(1)]	2	0.3	13	2.1	8	1.8	12	3.2
	628	**100.0**	**621**	**100.0**	**444**	**100.0**	**371**	**100.0**

Note:

(1) Comprises mainly fees charged to our customers for the application of Halal certificate, delivery charges for the delivery of small value sales to our customers.

Comparison between FYE 2023 and FYE 2024

Our other income for FYE 2024 did not fluctuate significantly from FYE 2023.

Comparison between FYE 2024 and FYE 2025

Our other income decreased by RM0.18 million or 29.0%, to RM0.44 million for FYE 2025 (FYE 2024: RM0.62 million). This was contributed by the decrease in realised gain on foreign exchange to RM0.41 million in FYE 2025 (FYE 2024: RM0.56 million), mainly due to the weakening of RM against THB during FYE 2025.

Comparison between FYE 2025 and FYE 2026

Our other income was relatively consistent throughout FYE 2025 and FYE 2026.

(d) Administrative expenses

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff-related costs	2,182	38.3	2,470	38.1	4,337	44.4	4,520	37.7
Directors' remuneration[(1)]	1,499	26.3	1,606	24.7	1,891	19.3	2,430	20.0
Depreciation expenses	704	12.4	739	11.4	925	9.5	907	7.5
Professional fees	110	1.9	225	3.5	609	6.2	489	4.0
Travelling expenses	111	2.0	152	2.3	298	3.0	333	2.8
Unrealised loss on foreign exchange	333	5.9	-	-	-	-	325	2.6
Realised loss on foreign exchange	22	0.4	406	6.3	69	0.7	1,395	11.5
Quit rent and assessment	97	1.7	100	1.5	103	1.0	118	0.9
Rental expenses	132	2.3	143	2.2	220	2.3	120	1.0
Loss on investment[(2)]	-	-	-	-	111	1.1	-	-
Security fees	91	1.6	91	1.4	182	1.9	258	2.1
Upkeep and maintenance	31	0.5	57	0.9	167	1.7	171	1.4

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Insurance expenses	59	1.1	60	0.9	116	1.2	168	1.3
Utilities	31	0.5	35	0.5	127	1.3	30	0.2
Others[3]	293	5.1	406	6.3	623	6.4	854	7.0
	5,695	**100.0**	**6,490**	**100.0**	**9,778**	**100.0**	**12,118**	**100.0**

Notes:

(1) Includes Directors' fees and other emoluments.

(2) Relates to the impairment loss on our joint venture business, namely Sipsense Co., Ltd, which was wound up on 20 December 2024. Prior to its winding-up, Sipsense Co., Ltd was principally involved in the sales of syrup.

(3) Comprises mainly printing and stationery, application and licence fee, stamps and postages, office cleaning expenses, pest control expenses, bank charges and donations.

Comparison between FYE 2023 and FYE 2024

Our administrative expenses increased by RM0.79 million or 13.9%, to RM6.49 million in FYE 2024 (FYE 2023: RM5.70 million), mainly due to the following:

(i) realised loss on foreign exchange increased to RM0.41 million in FYE 2024 (FYE 2023: RM22,000), mainly due to the weakening of THB against RM during FYE 2024;

(ii) staff-related costs increased to RM2.47 million in FYE 2024 (FYE 2023: RM2.18 million), mainly due to higher staff bonuses incurred for FYE 2024;

(iii) professional fees increased to RM0.23 million in FYE 2024 (FYE 2023: RM0.11 million), mainly due to higher tax agent fees incurred for our Thailand operating subsidiaries for the change of financial year end; and

(iv) directors' remuneration increased to RM1.61 million in FYE 2024 (FYE 2023: RM1.50 million), mainly due to annual salary increment.

The abovementioned increases were partially offset by the decrease in unrealised loss in foreign exchange to Nil in FYE 2024 (FYE 2023: RM0.33 million). For clarification, the unrealised loss in foreign exchange in FYE 2023 arose from the reversal of unrealised gain captured during FYE 2022.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2024 and FYE 2025

Our administrative expenses increased by RM3.29 million or 50.7%, to RM9.78 million in FYE 2025 (FYE 2024: RM6.49 million), mainly due to the following:

(i) staff-related costs increased to RM4.34 million in FYE 2025 (FYE 2024: RM2.47 million), mainly due to annual salary increment, higher staff bonuses, coupled with increase in our staff headcount from 51 staff as at 30 April 2024 to 54 staff as at 30 April 2025;

(ii) professional fees increased to RM0.61 million in FYE 2025 (FYE 2024: RM0.23 million). This was mainly due to higher audit fees incurred for the reaudit of our Thailand subsidiaries for the conversion of the financial statements from local Generally Accepted Accounting Principles to IFRS. Additionally, during FYE 2025, we also incurred consultation and design fees for the drawing of a building plan for our Headquarters;

(iii) directors' remuneration increased to RM1.89 million in FYE 2025 (FYE 2024: RM1.61 million), mainly due to the annual salary increment; and

(iv) depreciation expenses increased to RM0.93 million in FYE 2025 (FYE 2024: RM0.74 million), primarily due to the completion of the Transfer of Assets on 1 May 2024.

Comparison between FYE 2025 and FYE 2026

Our administrative expenses increased by RM2.34 million or 23.9%, to RM12.12 million for FYE 2026 (FYE 2025: RM9.78 million), mainly attributable to the following:

(i) realised loss on foreign exchange increased to RM1.40 million in FYE 2026 (FYE 2025: RM0.07 million), primarily due to weakening of USD against RM upon the settlement of USD denominated trade receivables from customers during FYE 2026; and

(ii) directors' remuneration increased to RM2.43 million in FYE 2026 (FYE 2025: RM1.89 million), primarily due to higher bonuses and annual salary increment as well as directors' fees incurred upon the appointment of independent directors in FYE 2026.

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12. FINANCIAL INFORMATION *(Cont'd)*

(e) Selling and distribution expenses

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Transportation costs[(1)]	907	83.8	984	77.0	1,271	76.7	1,372	79.7
Marketing expenses	126	11.7	169	13.2	287	17.3	240	14.0
Entertainment expenses	49	4.5	126	9.8	99	6.0	109	6.3
	1,082	**100.0**	**1,279**	**100.0**	**1,657**	**100.0**	**1,721**	**100.0**

Note:

(1) Comprises expenses incurred for delivering coffee extract powder blend, tea extract powder blend, food ingredients, and instant beverage premixes to our customers.

Comparison between FYE 2023 and FYE 2024

Our selling and distribution expenses increased by RM0.20 million or 18.5%, to RM1.28 million in FYE 2024 (FYE 2023: RM1.08 million). This was mainly due to the increase in entertainment expenses to RM0.13 million in FYE 2024 (FYE 2023: RM0.05 million), resulting from more business engagements with customers and suppliers. Additionally, transportation costs also increased to RM0.98 million in FYE 2024 (FYE 2023: RM0.91 million), which was in tandem with our revenue growth in FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our selling and distribution expenses increased by RM0.38 million or 29.7%, to RM1.66 million in FYE 2025 (FYE 2024: RM1.28 million). This was mainly due to the increase in transportation costs to RM1.27 million in FYE 2025 (FYE 2024: RM0.98 million), which was in tandem with our revenue growth in FYE 2025.

Comparison between FYE 2025 and FYE 2026

Our selling and distribution expenses were relatively consistent throughout FYE 2025 and FYE 2026.

(f) Finance costs

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Accretion of interest on lease liability	-	-	3	7.5	8	57.2	4	50.0
Interest expense on:								
- Finance lease liability	4	5.7	6	15.0	5	35.7	4	50.0
- Term loans	66	94.3	31	77.5	1	7.1	-	-
	70	**100.0**	**40**	**100.0**	**14**	**100.0**	**8**	**100.0**

Our finance costs did not fluctuate significantly throughout the FYE 2023 to 2026.

12. FINANCIAL INFORMATION *(Cont'd)*

(g) Finance income

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income from deposits with licensed banks	158	100.0	235	100.0	366	100.0	436	100.0

Our finance income arises solely from interest income from deposits with licensed banks. The increase in interest income throughout FYE 2023 to 2026 arises from the increase in deposits with local and overseas licensed banks.

(h) PBT, PBT margin, PAT and PAT margin

	Audited			
	FYE 2023	FYE 2024	FYE 2025	FYE 2026
PBT (RM'000)	12,381	15,410	39,710	46,129
PBT margin (%)	12.6	12.8	16.2	17.0
PAT (RM'000)	9,537	11,434	30,409	35,036
PAT margin (%)	9.7	9.5	12.4	12.9

Comparison between FYE 2023 and FYE 2024

We recorded an increase in PBT of RM3.03 million or 24.5%, to RM15.41 million in FYE 2024 (FYE 2023: RM12.38 million), mainly due to higher GP recorded as explained in Section 12.2.2(b). Correspondingly, our PAT increased by RM1.89 million or 19.81%, to RM11.43 million in FYE 2024 (FYE 2023: RM9.54 million).

Our PBT margin and PAT margin was consistent at 12.8% and 9.5%, respectively in FYE 2024 (FYE 2023: 12.6% and 9.7%).

Comparison between FYE 2024 and FYE 2025

We recorded an increase in PBT of RM24.30 million or 157.7%, to RM39.71 million in FYE 2025 (FYE 2024: RM15.41 million), and our PBT margin increased to 16.2% in FYE 2025 (FYE 2024: 12.8%). This was mainly due to higher GP and GP margin recorded in FYE 2025, as explained in Section 12.2.2(b).

Correspondingly, our PAT increased by RM18.98 million or 166.1%, to RM30.41 million in FYE 2025 (FYE 2024: RM11.43 million), and our PAT margin increased to 12.4% in FYE 2025 (FYE 2024: 9.5%).

Comparison between FYE 2025 and FYE 2026

We recorded an increase in PBT of RM6.42 million or 16.2% to RM46.13 million in FYE 2026 (FYE 2025: RM39.71 million), and our PBT margin increased to 17.0% in FYE 2026 (FYE 2025: 16.2%), mainly due to higher GP and GP margin recorded in FYE 2026, as explained in Section 12.2.2(b). This was partially offset by higher administrative expenses in FYE 2026, as explained in Section 12.2.2(d).

12. FINANCIAL INFORMATION *(Cont'd)*

Correspondingly, our PAT increased by RM4.63 million or 15.2%, to RM35.04 million for FYE 2026 (FYE 2025: RM30.41 million) and PAT margin increase marginally from 12.4% in FYE 2025 to 12.9% in FYE 2026.

(i) Taxation

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
Taxation (RM'000)	2,844	3,976	9,301	11,093
Effective tax rate (%)[(1)]	23.0	25.8	23.4	24.0
Malaysia statutory tax rate (%)	24.0	24.0	24.0	24.0
Thailand statutory tax rate (%)	20.0	20.0	20.0	20.0

Note:

(1) Calculated based on taxation divided by PBT for each financial year.

Comparison between FYE 2023 and FYE 2024

Our taxation increased by RM1.14 million or 40.1%, to RM3.98 million in FYE 2024 (FYE 2023: RM2.84 million), mainly due to the higher PBT recorded in FYE 2024. Our effective tax rate of 25.8% in FYE 2024 was higher than the statutory tax rate of 24.0%, mainly due to certain expenses of RM0.25 million which were not deductible for tax reporting purposes.

Comparison between FYE 2024 and FYE 2025

Our taxation increased by RM5.32 million or 133.7%, to RM9.30 million in FYE 2025 (FYE 2024: RM3.98 million), mainly due to the higher PBT recorded in FYE 2025. Our effective tax rate of 23.4% in FYE 2025 was lower than the statutory tax rate of 24.0% mainly due to the impact from lower statutory tax rates in Thailand (20.0%) compared to Malaysia's statutory tax rate of 24.0%.

Comparison between FYE 2025 and FYE 2026

Our taxation increased by RM1.79 million or 19.2% to RM11.09 million in FYE 2026 (FYE 2025: RM9.30 million), mainly attributable to higher PBT recorded in FYE 2026. Our effective tax rate remained at 24.0% in FYE 2026, in line with the statutory tax rate of 24.0%.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.2.3 Review of cash flows

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash from/ (used in) operating activities	9,295	(5,723)	(5,922)	25,649
Net cash used in investing activities	(48)	(216)	(1,424)	(2,222)
Net cash (used in)/ from financing activities	(1,185)	(904)	26,285	(30,185)
Net increase/ (decrease) in cash and cash equivalents	8,062	(6,843)	18,939	(6,758)
Cash and cash equivalents at the beginning of the financial year	6,549	14,727	7,814	26,771
Effect of exchange rate changes on cash and cash equivalents	116	(70)	18	(865)
Cash and cash equivalents at the end of the financial year	**14,727**	**7,814**	**26,771**	**19,148**

Our Group recorded negative operating cash flow of RM5.72 million and RM5.92 million for FYE 2024 and 2025 respectively. Notwithstanding the above, as shown below, our Group recorded an increasing operating profit before changes in working capital, which increased from RM16.27 million in FYE 2024 to RM40.75 million in FYE 2025. This demonstrates that our Group's business operations are sustainable and profitable after fulfilling all related operating expenses for the business operations. The negative operating cash flow of RM5.72 million and RM5.92 million for FYE 2024 and FYE 2025 primarily resulted from the changes in working capital as detailed below:

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating profit before working capital changes	**13,691**	**16,266**	**40,749**	**47,480**
Changes in:				
Inventories	2,677	(3,496)	(23,604)	(3,542)
Receivables	3,849	(14,665)	(18,405)	(14,373)
Payables	(8,433)	(285)	657	8,455
Cash from/ (used in) operations	**11,784**	**(2,180)**	**(603)**	**38,020**
Income tax paid	(2,419)	(3,506)	(5,313)	(12,367)
Interest paid	(70)	(37)	(6)	(4)
Net cash from/(used in) operating activities	**9,295**	**(5,723)**	**(5,922)**	**25,649**

The negative operating cash flow positions in FYE 2024 and FYE 2025 were primarily due to a timing mismatch between collections from our customers and payments to our suppliers, as we typically pay our suppliers faster than we collect from our customers, as some of our major overseas suppliers (i.e. Intimex Group Joint Stock Company, Sri Narasu's Coffee India Company Private Limited and CCL Products (India) Ltd), require full payment prior to the delivery of orders. For clarity, the full payment prior to delivery of orders is in line with prevailing market practice in the international coffee trading market. As such, the payment terms imposed by our major overseas suppliers are standard industry practice agreements and not tied to priority allocation of inventories or rebates. Accordingly, the payment terms imposed by Intimex Group Joint Stock Company, Sri Narasu's Coffee India Company Private Limited and CCL Products (India) Ltd are standard industry practice agreements and not tied to priority allocation of inventories or rebates. This is evident from our trade receivables turnover days of 99 days, 90 days, 67 days and 81 days for FYE 2023 to 2026 respectively, which were higher than our trade payables turnover days of 32 days, 10 days, 5 days and 12 days for FYE 2023 to 2026 respectively. The negative operating cash flow positions were also

attributable to the higher inventory levels. Our Group had increased our inventory level in FYE 2025 in anticipation of increasing customer demand for coffee extract powder blends, particularly for 3 of our major customers (i.e. Aik Cheong Group, Ciphona Group and Coffeefarmer (Thailand) Co., Ltd).

Despite the negative operating cash flow positions in FYE 2024 and FYE 2025, our Group current ratios stood at 5.0 times, 9.0 times, 13.7 times and 8.9 times for FYE 2023 to 2026 respectively. This indicates that while there is a timing difference between collections from our customers and payments to our suppliers, our Group is still capable of meeting short-term obligations as we have sufficient current assets to cover our current liabilities.

Premised on the above, our Board is of the view that there are no concerns regarding our Group's overall cash flow management. Nonetheless, our management has taken note of the negative operating cash flow and aims to minimise the mismatch between collections from our customers and payments to our suppliers. Moving forward, our Group aims to improve collections from customers by conducting regular reviews of customers' outstanding balances, credit limits and payment trends followed by regular payment reminders to customers. In addition, our Group is currently negotiating with our overseas major suppliers for more favourable credit terms such as longer credit period (for credit terms which are currently less than 30 days) and lower advance payment to be paid to suppliers for purchase of coffee extract powder.

FYE 2023

Net cash for operating activities

For FYE 2023, we recorded operating profits before working capital changes of RM13.69 million and operating cash inflow of RM9.30 million after adjusting for the following major changes in working capital:

(a) decrease in inventories of RM2.68 million, mainly due to delay in the delivery of inventories to our warehouses towards the end of FYE 2023;

(b) decrease in receivables of RM3.85 million, mainly due to collections from our trade receivables;

(c) decrease in payables of RM8.43 million, mainly due to payments made to our suppliers; and

(d) income tax paid of RM2.42 million.

Net cash for investing activities

For FYE 2023, we recorded a net cash outflow of RM0.05 million for investing activities mainly due to the purchase of property, plant and equipment of RM0.21 million, mainly comprising furniture, fittings, and office equipment as well as motor vehicles. This was partially offset by the interest received of RM0.16 million from deposits with licensed banks.

Net cash for financing activities

For FYE 2023, we recorded a net cash outflow of RM1.19 million for financing activities, mainly due to the repayment of term loans amounting to RM1.17 million.

12. FINANCIAL INFORMATION *(Cont'd)*

FYE 2024

Net cash for operating activities

For FYE 2024, we recorded operating profits before working capital changes of RM16.27 million and operating cash outflow of RM5.72 million after adjusting for the following major changes in working capital:

(a) increase in inventories of RM3.50 million, mainly due to higher inventory levels maintained for coffee extract powder in anticipation of increased demand from our customers in FYE 2025;

(b) increase in receivables of RM14.67 million, mainly due to the increase in trade receivables primarily attributable to higher billings to our customers in the second half of FYE 2024;

(c) decrease in payables of RM0.29 million, mainly due to payments made to our suppliers; and

(d) income tax paid of RM3.51 million.

Net cash for investing activities

For FYE 2024, we recorded a net cash outflow of RM0.22 million for investing activities mainly due to the purchase of property, plant and equipment of RM0.53 million, mainly comprising furniture, fittings and office equipment, plant and machinery, as well as tools and equipment. This was partially offset by interest received of RM0.24 million from deposits with licensed banks.

Net cash for financing activities

For FYE 2024, we recorded a net cash outflow of RM0.90 million for financing activities, mainly due to the repayment of term loans amounting to RM0.82 million.

FYE 2025

Net cash for operating activities

For FYE 2025, we recorded operating profits before working capital changes of RM40.75 million and operating cash outflow of RM5.92 million after adjusting for the following major changes in working capital:

(a) increase in inventories of RM23.60 million, mainly due to higher inventory levels maintained for coffee extract powder in anticipation of increased demand from our customers in FYE 2026, coupled with the addition of inventories arising from the Transfer of Assets;

(b) increase in receivables of RM18.41 million, mainly due to increase in trade receivables primarily attributable to higher billings to our customers in second half of FYE 2025;

(c) increase in payables of RM0.66 million, mainly due to higher purchases made in the last quarter of FYE 2025; and

(d) income tax paid of RM5.31 million.

12. FINANCIAL INFORMATION *(Cont'd)*

Net cash for investing activities

For FYE 2025, we recorded a net cash outflow of RM1.42 million for investing activities mainly due to the purchase of property, plant and equipment of RM1.78 million, mainly comprising costs incurred on capital work in progress related to machineries for our production, as well as furniture, fittings, and office equipment. This was partially offset by the interest received of RM0.37 million from deposits with licensed banks.

Net cash for financing activities

For FYE 2025, we recorded a net cash inflow of RM26.29 million for financing activities, mainly due to the net effects of the following:

(a) net advances from directors of RM18.75 million for working capital purposes;

(b) proceeds from issuance of new BFB Shares of RM8.03 million;

(c) repayment of term loans of RM0.30 million; and

(d) repayment of lease liability of RM0.15 million.

FYE 2026

Net cash for operating activities

For FYE 2026, we recorded operating profits before working capital changes of RM47.48 million and operating cash inflow of RM25.65 million after adjusting for the following major changes in working capital:

(a) increase in inventories of RM3.54 million, mainly due to higher inventory levels maintained for coffee extract powder in anticipation of increased demand from our customers in FYE 2027;

(b) increase in receivables of RM14.37 million, mainly due to increase in trade receivables primarily attributable to slower collections from 2 major Thailand customers and a major local customer;

(c) increase in payables of RM8.46 million, mainly due to higher purchases towards the last quarter of FYE 2026; and

(d) income tax paid of RM12.37 million.

Net cash for investing activities

For FYE 2026, we recorded a net cash outflow of RM2.22 million for investing activities mainly due to the purchase of property, plant and equipment of RM2.21 million, related to machinery for our production.

Net cash for financing activities

For FYE 2026, we recorded a net cash outflow of RM30.19 million for financing activities, mainly due to payment of dividends amounting to RM30.00 million.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working capital

We finance our operations with cash generated from operations, supplier's credit, advances from directors and capital injection by our shareholders as well as existing cash and bank balances. As at LPD, our credit facilities from financial institutions comprise finance lease liabilities only.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, amongst others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and interest rates on borrowings.

Our Board confirms that we have sufficient working capital for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

(a) our cash and cash equivalents of approximately RM22.86 million (after the dividend declared and paid as set out in Section 12.16) as at LPD;

(b) our expected future cash flows from operations and proceeds from the Public Issue of which RM37.80 million is earmarked for our Group's working capital; and

(c) our Group's pro forma NA position and gearing level as at [(1)]30 April 2026 after the Public Issue and proposed utilisation of proceeds of RM198.23 million and less than 0.01 times, respectively.

Note:

[(1)] Includes Share Split 2 and dividends declared and paid in FYE 2026. Please refer to Section 6.2.7 for further information on Share Split 2 and Section 12.16 for further information on dividends declared and paid in FYE 2026.

At this juncture, we do not foresee any circumstances which may materially affect our liquidity. We carefully consider our cash position and ability to obtain financing before making significant capital commitments.

Notwithstanding that our Group recorded negative operating cashflow in FYE 2024 and 2025, there are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances, subject to availability of distributable reserves and compliance with financial covenants during FYE 2023 to 2026. Please refer to Section 12.2.3 for further details on our negative operating cashflow in FYE 2024 and 2025.

Our Group's trade receivables of RM24.37 million, RM35.13 million, RM55.36 million and RM65.63 million for FYE 2023 to 2026, respectively, compared to our trade payables of RM3.02 million, RM2.44 million, RM3.02 million and RM10.97 million for FYE 2023 to 2026, respectively, resulted in a working capital cycle with higher cash requirements, as funds are tied up in receivables while supplier payments are made promptly. This contributes to negative operating cash flows and increases reliance on internal liquidity, particularly as our Group does not utilise external financing.

12. FINANCIAL INFORMATION *(Cont'd)*

Despite this, our Group's cash and cash equivalents of RM22.86 million as at LPD provides sufficient cash flows to support our Group's short-term liquidity. Our cash balance is significantly higher than our Group's payables and is sufficient to fund working capital requirements while awaiting the collection of receivables. Accordingly, although the high-receivables position places pressure on liquidity and capital resources, our Group's existing cash reserves mitigate the immediate impact and support the continuity of operations.

Premised on the above, our Board is of the view that there are no concerns regarding our Group's overall cash flow management for long-term liquidity, as our Group continues to maintain strong current ratios, healthy customer relationships, and the ability to convert trade receivables and inventories into cash.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.4 BORROWINGS

All of our borrowings as at 30 April 2026 pertains to hire purchase of motor vehicle, which are denominated in THB, details of which are set out below:

	Purpose	Interest rate % per annum	Tenure of facility	As at 30 April 2026 RM'000
Current				
Finance lease liability	To finance purchase of motor vehicle	5.83	4 years	[3]12
	Total current borrowings			**12**
			Pro forma gearing (times)	
			[1]Before IPO and utilisation of proceeds	<0.01
			[2]After IPO and utilisation of proceeds	<0.01

Notes:

(1) Computed based on our pro forma total equity of RM144.87 million before Public Issue and utilisation of proceeds.

(2) Computed based on our pro forma total equity of RM210.87 million after Public Issue and utilisation of proceeds.

(3) This lease liability is denominated in THB amounting to approximately THB100,618, converted based on BNM's exchange rate of THB100:RM12.1089 as at 30 April 2026.

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12. FINANCIAL INFORMATION *(Cont'd)*

Separately, we also recognised the following lease liabilities:

	Purpose	Tenure of rental agreement	As at 30 April 2026
			RM'000
Lease liabilities payable within 1 year	Rental of warehouses	3 years	(1)92

Note:

(1) This lease liability is denominated in THB amounting to approximately THB760,850, converted based on BNM's exchange rate of THB100:RM12.1089 as at 30 April 2026.

As at LPD, all of our borrowings and lease liabilities are interest bearing and denominated in THB.

We have not defaulted on payments of principal sums and/ or interests in respect of any borrowings throughout FYE 2023 to 2026 and up to LPD.

As at LPD, our Group is not in breach of any terms, conditions or covenants associated with credit arrangements or bank loans, which can materially affect our (a) financial position and results; (b) business operations; or (c) the investments by holders of our securities. We do not encounter any seasonality in our Group's borrowings trend and there is no restriction on the facilities committed to our Group by our lenders. During FYE 2023 to 2026, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

Save as disclosed in Section 12.4, we do not utilise any other financial instruments. We finance our operations mainly through cash generated from our operations and credit extended by trade payables and external sources of funds, which mainly comprise hire purchase of motor vehicles.

Save for our lease liabilities and finance lease liability, which carry fixed interest rates, we do not utilise any other borrowings that bear variable interest rates.

We currently do not have a formal policy with respect to our foreign exchange transactions, and we do not hedge our exposure to fluctuations in foreign currency exchange rates. Our Group also holds cash and cash equivalents denominated in USD, THB, SGD and RMB for working capital purposes.

12.6 MATERIAL CAPITAL COMMITMENTS

As at LPD, save as disclosed below, we do not have any other material capital commitments:

	To be funded from proceeds of our IPO
	RM'000
Approved but not contracted for:	
Expansion of Bukit Minyak Premises	**15,200**
- Construction costs[(1)]	12,500
- Acquisition of machinery and equipment for our fourth manufacturing line[(2)]	2,700
	15,200

Notes:

(1) Further details are set out in Section 4.9.1(a). We plan to meet this capital commitment through the proceeds from our Public Issue.

(2) Further details are set out in Section 4.9.1(b). We plan to meet this capital commitment through the proceeds from our Public Issue.

12. FINANCIAL INFORMATION *(Cont'd)*

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

(a) Material litigation

As at LPD, we are not engaged in any material litigation, claims and/ or arbitration, either as plaintiff or defendant, which has a material effect on our financial position, and there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business.

(b) Contingent liabilities

As at LPD, there are no material contingent liabilities incurred by our Group, which upon becoming enforceable, may have a material effect on our Group's business, financial results and financial position.

12.8 KEY FINANCIAL RATIOS

The key financial ratios of our Group for FYE 2023 to 2026 are as follows:

	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Trade receivables turnover (days)[1]	99	90	67	81
Trade payables turnover (days)[2]	32	10	5	12
Inventory turnover (days)[3]	72	59	62	87
Current ratio (times)[4]	5.0	9.0	13.7	8.9
Gearing ratio (times)[5]	<0.1	<0.1	<0.1	<0.1

Notes:

(1) Computed based on average trade receivables divided by revenue for the respective financial years, multiplied by 365 days for FYE 2023, FYE 2025 and FYE 2026 and 366 days for FYE 2024.

(2) Computed based on average trade payables divided by cost of sales (excluding labour costs and overhead costs) for the respective financial years, multiplied by 365 days for FYE 2023, FYE 2025 and FYE 2026 and 366 days for FYE 2024.

(3) Computed based on average inventories divided by cost of sales (excluding labour costs and overhead costs) for the respective financial years, multiplied by 365 days for FYE 2023, FYE 2025 and FYE 2026 and 366 days for FYE 2024.

(4) Computed based on current assets divided by current liabilities as at the end of the respective financial years.

(5) Computed based on total borrowings divided by total equity as at the end of the respective financial years.

12. FINANCIAL INFORMATION *(Cont'd)*

12.8.1 Trade receivables turnover

Our trade receivables turnover (days) for FYE 2023 to 2026 is stated below:

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening trade receivables	28,757	24,366	35,130	55,358
Closing trade receivables	24,366	35,130	55,358	65,631
Average trade receivables	26,562	29,748	45,244	60,495
Revenue	97,882	120,530	245,333	272,127
Trade receivables turnover (days)	99	90	67	81

The normal credit terms granted by our Group to our customers ranges from 30 to 120 days from the date of invoice. Our credit terms to customers are assessed and approved on a case-by-case basis taking into consideration various factors such as relationship with customers, customers' payment history, credit worthiness and the quantum of amount owing. We use ageing analysis to monitor the credit quality of our trade receivables.

Our trade receivable turnover days for FYE 2023, 2024, 2025 and 2026 was 99 days, 90 days, 67 days and 81 days respectively, which were within the normal credit period granted to our customers. Our trade receivables turnover days for FYE 2025 decreased to 67 days (FYE 2024: 90 days), mainly due to improved collections from our customers in FYE 2025.

Our trade receivables turnover days for FYE 2026 increased to 81 days (FYE 2025: 67 days), mainly due to slower collections from 2 major Thailand customers and a major local customer.

The ageing analysis of our trade receivables as at 30 April 2026 is as follows:

	Trade receivables as at 30 April 2026		**Collection from 1 May 2026 up to LPD**	**Balance as at LPD**
	RM'000	**Percentage of trade receivables**	**RM'000**	**RM'000**
	(a)	**(a)/ total of (a)**	**(b)**	**(c) = (a)-(b)**
Neither past due nor impaired	30,048	45.8	12,204	17,844
Past due but not impaired:	**35,583**	**54.2**	**32,685**	**2,898**
- less than 30 days	18,079	27.5	16,201	1,878
- 31 to 60 days	10,363	15.8	9,375	988
- 61 to 90 days	6,016	9.2	5,986	30
- over 90 days	1,125	1.7	1,123	2
	65,631	**100.0**	**44,889**	**20,742**

As at LPD, we have collected RM44.89 million or 68.4% of our total outstanding trade receivables as at 30 April 2026. The remaining balance of RM20.74 million have yet to be collected as at LPD, of which RM2.90 million have exceeded the credit period, which comprised the following:

12. FINANCIAL INFORMATION *(Cont'd)*

(a) RM0.80 million receivables are from 3 customers in which our Group has agreed upon proposed payment schedules (i.e. recurring monthly settlement arrangements) with the said customers to accommodate the extended payment cycles upon their request. These arrangements are consistent with our Group's usual collection practices, taking into account our long term business relationships with these customers. In the event of any default under these payment schedules, our Group may be required to recognise impairment losses on trade receivables or make provision for bad debts. However, such impairment or provisioning is not expected to materially affect our Group's financial performance as the balance of RM0.80 million only constitute 2.3% of our PAT for FYE 2026; and

(b) the remaining balances receivables are from 8 customers in which our Group is closely monitoring and following up with. For clarity, our Group have not proposed any repayment schedules with the said 8 customers as we have been collecting the amount outstanding progressively.

12.8.2 Trade payables turnover

Our trade payables turnover (days) for FYE 2023 to 2026 is stated below:

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening trade payables	10,341	3,021	2,438	3,021
Closing trade payables	3,021	2,438	3,021	10,971
Average trade payables	6,681	2,730	2,730	6,996
Cost of sales[(1)]	76,947	95,791	189,992	206,592
Trade payables turnover (days)	32	10	5	12

Note:

(1) Cost of sales excluding labour costs and overhead costs.

The normal credit terms granted to us by our suppliers range from 15 to 120 days from the date of invoice. Our trade payables turnover days for FYE 2023, 2024, 2025 and 2026 was 32 days, 10 days, 5 days and 12 days respectively, which were within the normal credit period granted by our suppliers.

12. FINANCIAL INFORMATION *(Cont'd)*

The ageing analysis of our trade payables as at 30 April 2026 is as follows:

	Trade payables as at 30 April 2026		Payment from 1 May 2026 up to LPD	Balance as at LPD
	RM'000	Percentage of trade payables	RM'000	RM'000
	(a)	(a)/ total of (a)	(b)	(c) = (a)-(b)
Within credit period	8,310	75.7	8,310	-
Exceeding credit period:	**2,661**	**24.3**	**2,661**	-
- 1 to 30 days	2,449	22.4	2,449	-
- 31 to 60 days	108	1.0	108	-
- More than 60 days	104	0.9	104	-
Total	**10,971**	**100.0**	**10,971**	-

As at LPD, we have paid all our outstanding trade payables as at 30 April 2026. There are no disputes in respect of our trade payables and no legal action has been initiated by our suppliers to demand for payments.

12.8.3 Inventory turnover

Our inventory turnover (days) for FYE 2023 to 2026 is stated below:

	Audited			
	FYE 2023	FYE 2024	FYE 2025	FYE 2026
	RM'000	RM'000	RM'000	RM'000
Opening inventories	16,389	13,784	17,282	47,570
Closing inventories	13,784	17,282	47,570	50,684
Average inventories	15,087	15,533	32,426	49,127
Cost of sales[(1)]	76,947	95,791	189,992	206,592
Inventory turnover (days)	72	59	62	87

Note:

(1) Cost of sales excluding labour costs and overhead costs.

Our inventories consist of raw materials and finished goods for our coffee extract powder blends, tea extract powder blends, food ingredients and instant beverage premixes. The shelf life of our raw materials and finished goods is approximately 12 to 36 months, and 12 to 24 months respectively. We typically maintain inventory levels (i.e. raw materials) sufficient to meet at least 2 to 3 months of anticipated customer demand. Our inventory turnover days for FYE 2023, 2024, 2025 and 2026 was at 72 days, 59 days, 62 days and 87 days respectively. Our inventory turnover days for FYE 2026 increased to 87 days (FYE 2025: 62 days), mainly due to higher inventory levels of coffee extract powder maintained in anticipation of increased demand from our customers in FYE 2027.

12. FINANCIAL INFORMATION *(Cont'd)*

12.8.4 Current ratio

Our current ratio throughout FYE 2023 to 2026 is as follows:

	As at 30 April			
	2023	**2024**	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current assets	53,395	64,345	132,071	140,650
Current liabilities	(10,578)	(7,177)	(9,628)	(15,723)
Net current assets	**42,817**	**57,168**	**122,443**	**124,927**
Current ratio (times)	5.0	9.0	13.7	8.9

Our current ratios range between 5.0 times to 13.7 times for FYE 2023 to 2026. This indicates that our Group is capable of meeting short-term obligations. Our current assets, including trade receivables and inventories (consist of raw materials and finished goods) can be readily converted to cash, supported by consistent demand from our major customers. Together with our cash and cash equivalents, they are sufficient to meet our current liabilities.

Our current ratio increased to 9.0 times as at 30 April 2024 (as at 30 April 2023: 5.0 times), mainly due to the increase in receivables during FYE 2024. Our trade receivables increased to RM35.13 million as at 30 April 2024 (as at 30 April 2023: RM24.37 million), mainly due to higher billings to our customers in the second half of FYE 2024. The other receivables, deposits and prepayments increased to RM4.12 million as at 30 April 2024 (as at 30 April 2023: RM0.52 million), mainly due to advances paid to suppliers for the purchase of coffee extract powder, which our Group increased purchases for coffee extract powder in anticipation of increased demand from our customers in FYE 2025.

Our current ratio increased further to 13.7 times as at 30 April 2025 (as at 30 April 2024: 9.0 times). This was mainly due to the increase in our inventories to RM47.57 million as at 30 April 2025 (as at 30 April 2024: RM17.28 million), primarily driven by the higher inventory levels maintained for our coffee extract powders in anticipation of increased demand from our customers in FYE 2026, coupled with the addition of inventories arising from the Transfer of Assets. Our trade receivables, deposits and prepayments also increased to RM55.36 million as at 30 April 2025 (as at 30 April 2024: RM35.13 million), which was in tandem with the increase in revenue in FYE 2025. Additionally, we recorded higher cash and bank balances of RM26.77 million as at 30 April 2025 (30 April 2024: RM7.81 million), mainly due to the net advances of RM18.75 million received from directors for working capital purposes.

Our current ratio decreased to 8.9 times as at 30 April 2026 (as at 30 April 2025: 13.7 times). This was mainly due to the net effect in the following:

(i) increase in trade payables during FYE 2026. Our trade payables increased to RM10.97 million as at 30 April 2026 (as at 30 April 2025: RM3.02 million), mainly due to higher purchases towards the last quarter of FYE 2026;

(ii) decrease in cash and bank balance to RM19.15 million as at 30 April 2026 (as at 30 April 2025: RM26.77 million), primarily due to dividends paid during FYE 2026;

(iii) increase in trade receivables during FYE 2026. Our trade receivables increased to RM65.63 million as at 30 April 2026 (as at 30 April 2025: RM55.36 million), mainly due to slower collections from 2 major Thailand customers and a major local customer; and

(iv) increase in other receivables, deposits and prepayments to RM5.15 million as at 30 April 2026 (as at 30 April 2025: RM2.36 million), mainly due to Listing expenses and advances paid to suppliers for the purchases of coffee extract powder. This was due to our Group's increased purchases of coffee extract powder in anticipation of increased demand from our customers in FYE 2027.

12.8.5 Gearing ratio

Our gearing ratio throughout FYE 2023 to 2026 is as follows:

	As at 30 April			
	2023	**2024**	**2025**	**2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total borrowings	1,253	393	51	12
Total equity[(1)]	61,228	75,372	141,796	144,870
Gearing ratio (times)	<0.1	<0.1	<0.1	<0.1

Note:

(1) Total equity increased to RM75.37 million as at 30 April 2024 (as at 30 April 2023: 61.23 million), primarily due to the increase in retained earnings resulting from the PAT recorded for FYE 2024. Total equity further increased to RM141.80 million as at 30 April 2025 (as at 30 April 2024: RM75.37 million) mainly due to an increase in share capital as explained in Notes (3) and (4) of Section 12.1.2 above as well as the increase in retained earnings resulting from the PAT recorded for FYE 2025. The increases were offset by the merger deficit recorded in FYE 2025 as explained in Note (5) of Section 12.1.2 above.

Our gearing ratio for FYE 2023 to 2026 was less than 0.1 times.

12.9 SIGNIFICANT FACTORS AFFECTING OUR GROUP'S FINANCIAL PERFORMANCE

Please refer to Section 9 for the details of risk factors relating to our business and the industry in which we operate in. Some of these risk factors have an impact on our Group's revenue and financial performance. The main factors which affect our revenue and profit include but not limited to the following:

(a) We are subject to foreign exchange fluctuation risks which may impact the profitability of our Group

We are exposed to the risk of foreign exchange fluctuations as majority of our sales to overseas customers are transacted in foreign currencies, namely THB and USD. However, certain overseas sales are also transacted in RM. As for our sales to local customers in Malaysia, the revenue generated is denominated in RM. For FYE 2023 to 2026, our sales to overseas customers which were denominated in foreign currencies accounted for approximately 45.2%, 47.9%, 39.7% and 40.7% of our Group's total revenue respectively. Further, for FYE 2023 to 2026, our purchases from overseas suppliers are denominated in USD, THB, EUR, and CHF, while our local purchases are denominated in RM. For FYE 2023 to 2026, our purchases which were denominated in foreign currencies accounted for approximately 82.3%, 86.1%, 81.1% and 85.0% of our Group's total purchases respectively.

Please refer to Section 9.1.1 for further details.

12. FINANCIAL INFORMATION *(Cont'd)*

(b) We are dependent on a major customer who has contributed substantially to our revenue

For FYE 2023 to 2026, our largest major customer was Aik Cheong Group, to whom we sold coffee extract powder blends and tea extract powder blends throughout FYE 2023 to 2026 and food ingredients in FYE 2025 and 2026, contributing 15.2%, 17.1%, 15.3% and 16.6% to our Group's total revenue in the respective financial years. Given that they have been our largest customer with significant sales contributions for FYE 2023 to 2026 consecutively, we are dependent on their continued purchases from our Group.

Despite having 17 years of business relationship with Aik Cheong Group as at LPD, there can be no assurance that we will be able to maintain the same level of revenue contribution from Aik Cheong Group, as there is no long-term contract with them and sales to them are primarily carried out on purchase order basis. In the event that Aik Cheong Group ceases or significantly reduces its orders, we would need to compensate for the loss in sales by increasing sales from our existing customers and/ or securing new customers to bridge the gap.

Please refer to Section 9.1.2 for further details.

(c) We are exposed to credit risk and default payment by customers

Our financial performance is dependent, to a certain extent, on the creditworthiness of our customers. If circumstances arise that affect our customers' ability or willingness to pay us, we may experience payment delays or in worst cases, we may not be able to collect payment from our customers. We generally grant our customers a credit period of 30 to 120 days from the date of invoice. The extended 120-days credit term is granted selectively on a case-by-case basis taking into consideration various factors such as relationship with customers, customers' payment history, credit worthiness and the quantum of amount owing. As such, our Group does not expect the extended credit term to materially increase our exposure to credit risk and potential bad debts. Should there be a delay or default in payment by our customers, our operating cash flows and financial results may be adversely affected.

Please refer to Section 9.1.9 for further details.

(d) Absence of long-term contracts with our customers and suppliers may result in fluctuations of our Group's financial performance

We do not enter into any long-term contracts with our customers as our sales are derived based on purchase orders whereby our customers' purchases are on an as-needed basis. The absence of long-term contracts may result in fluctuations of our Group's sales and result in uncertainties over our overall financial performance. Should we fail to retain our existing customers and are unable to replace these customers with new customers in a timely manner, our financial performance may be adversely affected.

Please refer to Section 9.1.12 for further details.

12. FINANCIAL INFORMATION *(Cont'd)*

(e) We are exposed to price fluctuations as well as shortages and/ or delays in the delivery of our supplies

Our Group's purchases primarily comprise coffee extract powders and tea extract powders used in our manufacturing operations. Our purchase of coffee extract powders and tea extract powders collectively contributed 90.1%, 94.5%, 76.9% and 78.1% to our total purchases in FYE 2023 to 2026 respectively. The price of our supplies, particularly coffee extract powders and tea extract powders are subject to price fluctuations as a result of, amongst others, global demand and supply conditions, global and regional economic conditions, as well as uncertainties arising from geopolitical conflicts.

Our Group generally has been able to pass on any increase in cost, due to fluctuations in the prices of our supplies, to our customers. However, there is no assurance that we will be able to continue passing on the increase in cost to our customers. Any failure to pass on the increase in cost to our customers may result in a substantial increase in our cost of sales, thus affecting our financial performance.

Please refer to Section 9.2.1 for further details.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

There were no government, economic, fiscal or monetary policies or factors which have materially affected our financial performance during FYE 2023 to 2026. However, there is no assurance that our financial performance will not be adversely affected by the impact of further changes in government, economic, fiscal or monetary policies or factors moving forward.

Risks relating to government, economic, fiscal or monetary policies or factors which may adversely and materially affect our operations are set out in Section 9.

12.11 IMPACT OF INFLATION

During FYE 2023 to 2026, our financial performance was not materially affected by the impact of inflation. However, there is no assurance that our financial performance will not be adversely affected by the impact of inflation moving forward. Any significant increase in our costs of sales in the future may adversely affect our operations and performance if we are unable to pass on the higher costs to our customers through an increase in selling prices.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.12 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/ OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS

(a) Impact of foreign exchange rates

Our proportion of revenue and purchases denominated in local and foreign currencies are as follows:

	FYE 2023		FYE 2024		FYE 2025		FYE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue denominated in:								
RM	53,616	54.8	62,798	52.1	147,877	60.3	161,483	59.3
THB	34,881	35.6	47,427	39.4	83,410	34.0	102,908	37.8
USD	9,385	9.6	10,305	8.5	14,046	5.7	7,736	2.9
	97,882	**100.0**	**120,530**	**100.0**	**245,333**	**100.0**	**272,127**	**100.0**
Purchases denominated in:								
USD	59,344	79.1	84,455	84.7	176,560	79.9	178,189	84.5
RM	13,251	17.7	13,841	13.9	41,816	18.9	31,772	15.0
THB	2,179	2.9	1,369	1.4	1,991	0.9	585	0.3
EUR	244	0.3	-	-	516	0.2	361	0.2
CHF	-	-	-	-	188	0.1	-	-
	75,018	**100.0**	**99,665**	**100.0**	**221,071**	**100.0**	**210,907**	**100.0**

Our Group's gain or loss from foreign exchange fluctuations for FYE 2023 to 2026 are as follows:

	Audited			
	FYE 2023	FYE 2024	FYE 2025	FYE 2026
	RM'000	RM'000	RM'000	RM'000
Net realised gain/ (loss) on foreign exchange	604	157	337	(1,036)
Unrealised loss on foreign exchange	(333)	-	-	(325)
Net gain/ (loss)	**271**	**157**	**337**	**(1,361)**

We currently do not have a formal policy with respect to our foreign exchange transactions, and we do not hedge our exposure to fluctuations in foreign currency exchange rates. Our Group also holds cash and cash equivalents denominated in USD, THB, SGD and RMB for working capital purposes.

Please refer to Section 9.1.1 for further details on our business and operation risks relating to foreign exchange rate fluctuations.

(b) Impact of interest rates

Our exposure to changes in interest rate risk relates primarily to our loans and borrowings.

A sensitivity analysis performed on our Group based on the outstanding floating rate of our loans and borrowings as at 30 April 2026 indicates that an increase of 25 basis point on these borrowings would have an insignificant impact on our PBT for FYE 2026.

Our financial results for FYE 2023 to 2026 were not materially affected by fluctuations in interest rates.

12. FINANCIAL INFORMATION *(Cont'd)*

(c) Impact of commodity prices

The prices of coffee powder, tea powder, and food ingredients such as creamer and sugar are subject to fluctuations of the global commodity prices. As such, our financial performance may be adversely impacted if we are unable to pass on any increase in cost of supplies to our customers.

Nonetheless, our financial performance was not materially affected by fluctuations in commodity prices for FYE 2023 to 2026.

12.13 ORDER BOOK

Due to the nature of our business, we do not maintain an order book as our revenue is generated by way of purchase orders from our customers on an ongoing basis.

12.14 DIRECTORS' STATEMENT ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

(a) our revenue will remain sustainable with an upward growth trend, in line with positive outlook of the coffee and tea extract powder blends industry in Malaysia and Thailand as well as the food ingredients industry in Malaysia and Thailand as set out in the IMR Report in Section 8;

(b) our liquidity will improve subsequent to the Public Issue, given the additional funds to be raised for our Group to carry out our business strategies and future plans as stated in Section 7.16; and

(c) our capital resources will strengthen, considering the proceeds to be raised from the Public Issue as well as internally generated funds. We may consider debt funding for our business expansion should the need arise.

In addition to the above, our Board confirms that there are no circumstances which would result in a significant decline in our revenue and GP margins or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.15 TREND INFORMATION

As at LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 7, 8 and 9;

(b) material commitments for capital expenditure as disclosed in Section 12.6;

(c) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 12.2 and 9;

(d) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue and/ or profit as disclosed in Section 12.2, business and industry overview as disclosed in Sections 7 and 8, and business strategies and future plans as disclosed in Section 7.16;

(e) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical consolidated financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 12.2 and 9; and

(f) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our liquidity and capital resources, save as discussed in Sections 7, 9 and 12.

Based on the above, our Board is optimistic about the future prospects of our Group given the long term positive outlook of the coffee and tea extract powder blends industry in Malaysia and Thailand as well as the food ingredients industry in Malaysia and Thailand as set out in the IMR Report in Section 8, our Group's competitive strengths set out in Section 7.15 and our Group's intention to implement the business strategies as set out in Section 7.16.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.16 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy, and the declaration of dividends are subject to the discretion of our Board. It is our intention to pay dividends to shareholders in the future; however, such payments will depend upon several factors, including our Group's financial performance, capital expenditure requirements and any other factors considered relevant by our Board.

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require its financiers' consent as set out in the respective facility agreements to pay dividends to our Company. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no legal, financial, or economic restrictions on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us.

According to Malaysia's prevailing double tax agreement with Thailand, dividend payments paid to our Company will be subject to a withholding tax. The dividends paid by our overseas subsidiaries in Thailand will be taxed at the withholding tax rate of 10.0% of the gross amount of the dividends.

During FYE 2023 to 2026 and up to LPD, we declared the following dividends:

	FYE 2023	**FYE 2024**	**FYE 2025**	**FYE 2026**	**1 May 2026 up to LPD**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Dividends declared and paid	-	-	-	30,000	-

The dividends declared and paid in FYE 2026 were funded via internally generated funds. The dividends will not affect the execution and implementation of our business strategies and future plans. Together with the proceeds from the Public Issue, we believe that we have sufficient cash from operations and bank borrowings to fund our operations and expansion plans.

As at LPD, there is no outstanding dividends declared but remained unpaid. Further to the above, we do not intend to declare or pay any dividends from LPD up to the point of our Listing.

You should take note that this dividend policy merely describes our current intention and shall not constitute legally binding statements in respect of our future dividends that are subject to our Board's discretion.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.17 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness:

(a) Based on latest unaudited consolidated financial information of our Group as at 30 June 2026; and

(b) After adjusting for the effects of the Public Issue and utilisation of proceeds.

	Unaudited	**I**	**II**
	As at 30 June 2026	**After Public Issue**	**After I and use of proceeds**
	RM'000	**RM'000**	**RM'000**
Capitalisation			
Share capital	104,102	176,102	173,329
Total capitalisation	**104,102**	**176,102**	**173,329**
Indebtedness			
Current			
Secured			
Hire purchases	6	6	6
Lease liabilities	70	70	70
Total indebtedness:	**76**	**76**	**76**
Total capitalisation and indebtedness	**104,178**	**176,178**	**173,405**
Debt-to-capital ratio (times)[1]	<0.01	<0.01	<0.01

Note:

[1] Calculated based on total indebtedness divided by total capitalisation.

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13. ACCOUNTANTS' REPORT

BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023

GRANT THORNTON MALAYSIA PLT

CHARTERED ACCOUNTANTS

Member Firm of Grant Thornton International Ltd.

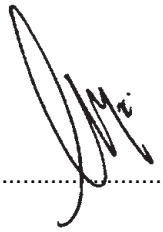
13. ACCOUNTANTS' REPORT *(Cont'd)*

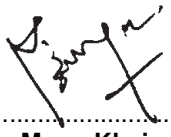
BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Yeap Chin Loon and Lee Mong Khai, being two of the directors of Butterfield FB Berhad, do hereby state that in the opinion of the directors, the accompanying consolidated financial statements set out on pages 5 to 54 are properly drawn up in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the consolidated financial position of Butterfield FB Berhad as at 30 April 2026, 30 April 2025, 30 April 2024 and 30 April 2023 and of its financial performance and cash flows for the financial years then ended.

Signed in accordance with a resolution of the Board of Directors:





…….....
Yeap Chin Loon

…….....
Lee Mong Khai

Date: 31 July 2026

Grant Thornton

Date: 31 July 2026

Grant Thornton Malaysia PLT
Level 5, Menara BHL
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The Board of Directors
Butterfield FB Berhad
1191, Lorong Perindustrian Bukit Minyak 19
Taman Perindustrian Bukit Minyak
14100 Simpang Ampat
Penang

Dear Sirs/Madams,

Reporting Accountants' Opinion on the Consolidated Financial Statements contained in the Accountants' Report of Butterfield FB Berhad

Opinion

We have audited the consolidated financial statements of Butterfield FB Berhad ("Butterfield FB" or "Company") and its subsidiaries ("Butterfield FB Group" or "Group"), which comprise the consolidated statements of financial position as at 30 April 2026, 30 April 2025, 30 April 2024 and 30 April 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years then ended, and notes to the consolidated financial statements, including material accounting policy information, as set out on pages 5 to 54.

The consolidated financial statements of the Company have been prepared for inclusion in the Prospectus of Butterfield FB in connection with the listing of and quotation for its entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad and for no other purposes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 30 April 2026, 30 April 2025, 30 April 2024 and 30 April 2023 and of its consolidated financial performance and consolidated cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Audit | Tax | Advisory

Chartered Accountants
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Responsibilities of the Directors for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Company, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the consolidated financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements of the Company, including the disclosures, and whether the consolidated financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

Grant Thornton

Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report has been prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of Butterfield FB in connection with the listing of and quotation for its entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Penang

Loo Wei Teng
No: 03487/03/2028 J
Chartered Accountant

BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023

	NOTE	2026 RM	2025 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	20,890,696	20,023,963	19,031,796	19,585,728
Right-of-use asset	5	89,505	238,872	380,611	-
		20,980,201	20,262,835	19,412,407	19,585,728
Current assets					
Inventories	6	50,684,296	47,570,383	17,282,104	13,783,505
Trade receivables	7	65,630,705	55,358,037	35,129,329	24,366,224
Other receivables, deposits and prepayments	8	5,145,897	2,356,592	4,119,238	517,517
Current tax assets		41,400	15,000	-	-
Cash and bank balances	9	19,147,844	26,771,478	7,814,216	14,727,639
		140,650,142	132,071,490	64,344,887	53,394,885
TOTAL ASSETS		161,630,343	152,334,325	83,757,294	72,980,613
EQUITY AND LIABILITIES					
Share capital	10	104,101,841	104,101,841	2,876,565	1,000
Invested equity	11	-	-	10,300,002	10,300,002
Merger deficit	12	(54,913,223)	(54,913,223)	-	-
Foreign currency translation reserve	13	(1,388,805)	121,889	80,587	246,612
Retained profits		84,432,527	83,209,174	56,252,887	45,515,856
		132,232,340	132,519,681	69,510,041	56,063,470
Non-controlling interests		12,637,945	9,276,031	5,861,913	5,164,541
Total equity		144,870,285	141,795,712	75,371,954	61,228,011
Non-current liabilities					
Borrowings	14	-	13,030	51,258	394,875
Lease liability	5	-	98,352	241,837	-
Deferred tax liabilities	15	1,037,000	799,000	915,000	780,000
		1,037,000	910,382	1,208,095	1,174,875
Current liabilities					
Trade payables	16	10,970,742	3,020,769	2,438,033	3,021,208
Other payables and accruals	17	388,512	589,697	472,996	371,345
Amount due to directors	18	-	-	2,070,209	4,940,820
Borrowings	14	12,184	38,442	342,275	857,992
Lease liability	5	92,131	144,491	140,343	-
Current tax liabilities		4,259,489	5,834,832	1,713,389	1,386,362
		15,723,058	9,628,231	7,177,245	10,577,727
Total liabilities		16,760,058	10,538,613	8,385,340	11,752,602
TOTAL EQUITY AND LIABILITIES		161,630,343	152,334,325	83,757,294	72,980,613

BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023

	NOTE	2026 RM	2025 RM	2024 RM	2023 RM
Revenue	**19**	272,126,885	245,333,423	120,530,943	97,882,590
Cost of sales		(212,958,363)	(194,984,513)	(98,167,325)	(79,439,713)
Gross profit		59,168,522	50,348,910	22,363,618	18,442,877
Other income	**20**	370,970	444,826	621,620	628,748
Administrative expenses		(12,118,222)	(9,778,055)	(6,490,537)	(5,695,288)
Selling and distribution expenses		(1,720,818)	(1,657,418)	(1,279,077)	(1,082,596)
Operating profit		45,700,452	39,358,263	15,215,624	12,293,741
Finance costs	**21**	(8,032)	(14,533)	(40,123)	(70,453)
Finance income	**22**	436,447	366,291	235,276	158,203
Profit before tax	**23**	46,128,867	39,710,021	15,410,777	12,381,491
Taxation	**24**	(11,092,908)	(9,301,448)	(3,976,374)	(2,843,757)
Profit for the financial year		35,035,959	30,408,573	11,434,403	9,537,734
Other comprehensive (loss)/income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		(1,510,694)	41,302	(166,025)	252,121
Total comprehensive income for the financial year		33,525,265	30,449,875	11,268,378	9,789,855

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023 (CONT'D)

	NOTE	2026 RM	2025 RM	2024 RM	2023 RM
Profit attributable to:					
Owners of the Company		30,396,681	26,847,685	10,641,934	8,671,924
Non-controlling interests		4,639,278	3,560,888	792,469	865,810
		35,035,959	30,408,573	11,434,403	9,537,734
Total comprehensive income attributable to:					
Owners of the Company		29,676,119	26,865,923	10,571,006	8,778,744
Non-controlling interests		3,849,146	3,583,952	697,372	1,011,111
		33,525,265	30,449,875	11,268,378	9,789,855
Basic/Diluted earnings per share (sen)	**25**	4.68	6.68	3.72	3.23

13. ACCOUNTANTS' REPORT *(Cont'd)*

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023

		Non-distributable						
	NOTE	**Share Capital RM**	**Merger Deficit RM**	**Foreign Currency Translation Reserve RM**	**Retained Profits RM**	**Total RM**	**Non-Controlling Interests RM**	**Total Equity RM**
2026								
Balance at beginning		104,101,841	(54,913,223)	121,889	83,209,174	132,519,681	9,276,031	141,795,712
Total comprehensive income for the financial year		-	-	(1,510,694)	31,186,813	29,676,119	3,849,146	33,525,265
Transactions with owners of the Company:								
Dividends	**26**	-	-	-	(30,000,000)	(30,000,000)	-	(30,000,000)
Acquisition from non-controlling interests		-	-	-	36,540	36,540	(487,232)	(450,692)
Total transactions with owners		-	-	-	(29,963,460)	(29,963,460)	(487,232)	(30,450,692)
Balance at end		104,101,841	(54,913,223)	(1,388,805)	84,432,527	132,232,340	12,637,945	144,870,285

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023 (CONT'D)

		Non-distributable							
	NOTE	Share Capital RM	Invested Equity RM	Merger Deficit RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Total RM	Non-Controlling Interests RM	Total Equity RM
2025									
Balance at beginning		2,876,565	10,300,002	-	80,587	56,252,887	69,510,041	5,861,913	75,371,954
Total comprehensive income for the financial year		-	-	-	41,302	26,824,621	26,865,923	3,583,952	30,449,875
Transactions with owners of the Company:									
Issuance of ordinary shares	**10**	36,012,051	-	-	-	-	36,012,051	-	36,012,051
Issuance of ordinary shares pursuant to acquisition of subsidiaries	**10**	65,213,225	-	(65,213,225)	-	-	-	-	-
Adjustment on the acquisition of subsidiaries		-	(10,300,002)	10,300,002	-	-	-	-	-
Acquisition from non-controlling interests		-	-	-	-	131,666	131,666	(169,834)	(38,168)
Total transactions with owners		101,225,276	(10,300,002)	(54,913,223)	-	131,666	36,143,717	(169,834)	35,973,883
Balance at end		104,101,841	-	(54,913,223)	121,889	83,209,174	132,519,681	9,276,031	141,795,712

13. ACCOUNTANTS' REPORT *(Cont'd)*

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023 (CONT'D)

			Non-distributable						
	NOTE	Share Capital RM	Invested Equity RM	Merger Deficit RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Total RM	Non-Controlling Interests RM	Total Equity RM
2024									
Balance at beginning		1,000	10,300,002	-	246,612	45,515,856	56,063,470	5,164,541	61,228,011
Total comprehensive income for the financial year		-	-	-	(166,025)	10,737,031	10,571,006	697,372	11,268,378
Transaction with owners of the Company:									
Issuance of ordinary shares	**10**	2,875,565	-	-	-	-	2,875,565	-	2,875,565
Balance at end		2,876,565	10,300,002	-	80,587	56,252,887	69,510,041	5,861,913	75,371,954
2023									
Balance at beginning		1,000	10,300,002	-	(5,509)	36,989,233	47,284,726	4,153,430	51,438,156
Total comprehensive income for the financial year		-	-	-	252,121	8,526,623	8,778,744	1,011,111	9,789,855
Balance at end		1,000	10,300,002	-	246,612	45,515,856	56,063,470	5,164,541	61,228,011

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023

	2026 RM	2025 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	46,128,867	39,710,021	15,410,777	12,381,491
Adjustments for:				
Accretion of interest on lease liability	4,366	7,987	3,506	-
Allowance for expected credit losses on trade receivables	-	-	6,304	19,905
Depreciation of:				
- property, plant and equipment	1,312,863	1,277,549	1,040,996	1,044,975
- right-of-use asset	141,484	143,334	48,706	-
Gain on disposal of property, plant and equipment	-	(30,000)	(45,130)	-
Interest expenses	3,666	6,546	36,617	70,453
Interest income	(436,447)	(366,291)	(235,276)	(158,203)
Unrealised loss on foreign exchange	324,605	-	-	332,901
Operating profit before working capital changes	47,479,404	40,749,146	16,266,500	13,691,522
Changes in:				
Inventories	(3,541,670)	(23,604,340)	(3,495,800)	2,676,773
Receivables	(14,372,722)	(18,405,036)	(14,665,198)	3,849,145
Payables	8,454,748	657,010	(285,375)	(8,433,405)
Cash from/(used in) operations	38,019,760	(603,220)	(2,179,873)	11,784,035
Income tax paid	(12,367,465)	(5,312,560)	(3,506,395)	(2,418,906)
Interest paid	(3,666)	(6,546)	(36,617)	(70,453)
Net cash from/(used in) operating activities	25,648,629	(5,922,326)	(5,722,885)	9,294,676

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023 (CONT'D)

	NOTE	2026 RM	2025 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition from non-controlling interests		(450,692)	(38,168)	-	-
Interest received		436,447	366,291	235,276	158,203
Proceeds from disposal of property, plant and equipment		-	30,000	73,580	-
Purchase of property, plant and equipment	**A**	(2,207,772)	(1,782,305)	(525,407)	(206,221)
Net cash used in investing activities		(2,222,017)	(1,424,182)	(216,551)	(48,018)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(30,000,000)	-	-	-
Net changes in directors' balances	**B**	-	18,749,778	5,001	3,731
Proceeds from issuance of ordinary shares		-	8,027,308	-	-
Repayment of finance lease liability	**B**	(37,971)	(37,499)	(37,274)	(20,746)
Repayment of term loans	**B**	-	(304,935)	(821,030)	(1,168,006)
Repayment of lease liability	**B**	(147,004)	(148,926)	(50,606)	-
Net cash (used in)/from financing activities		(30,184,975)	26,285,726	(903,909)	(1,185,021)
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES		(6,758,363)	18,939,218	(6,843,345)	8,061,637
Effects of foreign exchange rates changes		(865,271)	18,044	(70,078)	116,233
CASH AND BANK BALANCES AT BEGINNING		26,771,478	7,814,216	14,727,639	6,549,769
CASH AND BANK BALANCES AT END		19,147,844	26,771,478	7,814,216	14,727,639

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023 (CONT'D)

A. Purchase of property, plant and equipment

	2026 RM	2025 RM	2024 RM	2023 RM
Total acquisition cost	2,207,772	1,782,305	525,407	349,626
Acquired under finance lease liability	-	-	-	(143,405)
Total cash acquisition	2,207,772	1,782,305	525,407	206,221

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Net cash flows RM	Others [1] RM	Balance at end RM
2026				
Borrowings	51,472	(37,971)	(1,317)	12,184
Lease liability	242,843	(147,004)	(3,708)	92,131
Total liabilities arising from financing activities	294,315	(184,975)	(5,025)	104,315
2025				
Amount due to directors	2,070,209	18,749,778	(20,819,987)	-
Borrowings	393,533	(342,434)	373	51,472
Lease liability	382,180	(148,926)	9,589	242,843
Total liabilities arising from financing activities	2,845,922	18,258,418	(20,810,025)	294,315
2024				
Amount due to directors	4,940,820	5,001	(2,875,612)	2,070,209
Borrowings	1,252,867	(858,304)	(1,030)	393,533
Lease liability	-	(50,606)	432,786	382,180
Total liabilities arising from financing activities	6,193,687	(903,909)	(2,443,856)	2,845,922

13. ACCOUNTANTS' REPORT *(Cont'd)*

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 APRIL 2026, 30 APRIL 2025, 30 APRIL 2024 AND 30 APRIL 2023 (CONT'D)

	Balance at beginning RM	Net cash flows RM	Others [1] RM	Balance at end RM
2023				
Amount due to directors	4,937,020	3,731	69	4,940,820
Borrowings	2,293,971	(1,045,347)	4,243	1,252,867
Total liabilities arising from financing activities	7,230,991	(1,041,616)	4,312	6,193,687

[1] Others consist of non-cash movements as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Accretion of interest on lease liability	4,366	7,987	3,506	-
Addition of lease liability	-	-	446,891	-
Exchange differences	(9,391)	1,988	(18,688)	4,312
Capitalisation of amount due to directors	-	(20,820,000)	(2,875,565)	-
	(5,025)	(20,810,025)	(2,443,856)	4,312

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. **GENERAL INFORMATION**

1.1 **Introduction**

This report has been prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of Butterfield FB Berhad ("Butterfield FB" or "Company") in connection with the listing of and quotation for its entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (hereinafter defined as "Listing") and should not be relied upon for any other purposes.

1.2 **Background**

Butterfield FB was incorporated on 28 April 2021 under the Companies Act 2016 in Malaysia as a private limited liability company and domiciled in Malaysia. The Company was subsequently converted into a public limited liability company on 21 October 2025.

The registered office of the Company is located at 51-8-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Penang. The principal place of business of the Company is located at 1191, Lorong Perindustrian Bukit Minyak 19, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.

1.3 **Subsidiaries**

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Effective equity interest				Principal activities
		2026	2025	2024	2023	
Butterfield (M) Sdn. Bhd.	Malaysia	100%	100%	- #	- #	Manufacturing of coffee extract powder blends and tea extract powder blends.
Golden Chemical FB Sdn. Bhd. ("GCFB")	Malaysia	100%	100%	100%	-	Sales and trading of food ingredients.
G Brew Marketing Sdn. Bhd.	Malaysia	100%	100%	- #	- #	Sales and trading of food ingredients and instant beverage premixes.
Golden Chemical (Thailand) Co., Ltd. ("GCT") *	Thailand	49%	46%	46%	46%	Distribution of coffee extract powder blends and tea extract powder blends, as well as sales and trading of food ingredients in Thailand.

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Name of subsidiaries	Principal place of business	Effective equity interest				Principal activities
		2026	2025	2024	2023	
Indirect - held through GCT						
MJC Global Co., Ltd. ("MJC") *	Thailand	65%	65%	35%	35%	Sales and trading of instant beverage premixes in Thailand.

* *Not audited by Grant Thornton Malaysia PLT.*

The consolidation of those entities involves a business combination under common control. As such, the consolidation is accounted for using the pooling of interest method. Accordingly, the assets and liabilities and the results of those entities are presented as if the merger had been effected throughout the financial years under review.

Although the Company owns less than half of the equity interest and the voting power of GCT and MJC, the directors have determined that the Company has control over these two entities' business, financial and operating policies and decisions. Consequently, the Company has deemed these two entities as subsidiaries and accordingly their financial statements are consolidated.

Acquisition and incorporation of subsidiaries

On 4 January 2024, the Company has incorporated a wholly-owned subsidiary, GCFB, with an issued and paid-up share capital of RM1 comprising 1 ordinary share. GCFB subsequently acted as a vehicle to acquire the plant and equipment and inventories of a related party, Golden Chemical Sdn. Bhd. ("GC"), for a total consideration of RM7,164,743 satisfied by the issuance of 34,412,790 new ordinary shares in the Company on 1 May 2024. Accordingly, GC ceased business on that date as its business was transferred to GCFB.

On 30 August 2024, the Company has entered into a Share Sale Agreement to acquire 100% equity interest in Butterfield (M) Sdn. Bhd. for a total consideration of RM63,951,462 satisfied by the issuance of 307,163,602 new ordinary shares in the Company.

On 3 September 2024, the subsidiary of the Company, GCT, has acquired additional 30% equity interest in MJC for a cash consideration of RM38,168, increasing its ownership from 35% to 65%.

On 27 September 2024, the Company has entered into a Share Sale Agreement to acquire 100% equity interest in G Brew Marketing Sdn. Bhd. for a total consideration of RM1,261,763 satisfied by the issuance of 6,060,341 new ordinary shares in the Company.

On 2 May 2025, the Company has acquired additional 3% equity interest in GCT for a cash consideration of RM450,692, increasing its ownership from 46% to 49%.

The acquisition of Butterfield (M) Sdn. Bhd. and G Brew Marketing Sdn. Bhd. have met the definition of business combination under common control, where these two entities are controlled by the common controlling shareholders, i.e. Yeap Kim Siew, Yeap Chin Loon and Lee Mong Khai. Accordingly, these two entities have been included in the consolidated financial statements of the Group from the beginning of the period in which the combining entities are under the common control.

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2. **BASIS OF PREPARATION**

2.1 **Statement of Compliance**

The consolidated financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards.

2.2 **Basis of Measurement**

The consolidated financial statements of the Group are prepared under the historical cost convention.

2.3 **Functional and Presentation Currency**

Ringgit Malaysia ("RM") is the presentation currency of the Group.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operation has different functional currency.

2.4 **Standards/Amendments to MFRSs Issued But Not Yet Effective**

The following are accounting standards/amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

Effective for annual period beginning on or after 1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments
Annual Improvements to MFRS Accounting Standards - Volume 11
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning on or after 1 January 2027
MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency

Effective date yet to be confirmed
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group has lease contract that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has not included the extension options period as part of the lease term for lease of warehouse as there is no extension option available. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Inventories**

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 6 to the financial statements.

(ii) **Provision for expected credit losses ("ECL") of receivables**

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing and trading sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 30.3 to the financial statements.

(iii) **Leases - Estimating the incremental borrowing rate ("IBR")**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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4. **PROPERTY, PLANT AND EQUIPMENT**

	Leasehold land RM	Building RM	Plant and machinery RM	Tools and equipment RM	Renovation RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work in progress RM	Total RM
2026									
At cost									
Balance at beginning	5,131,654	14,862,615	4,203,558	220,217	247,059	2,763,574	3,857,878	1,077,188	32,363,743
Additions	-	-	1,689,069	52,623	-	379,080	87,000	-	2,207,772
Reclassification	-	-	1,077,188	-	-	-	-	(1,077,188)	-
Exchange differences	-	-	(48,882)	(8,702)	(3,585)	(9,612)	(24,327)	-	(95,108)
Balance at end	5,131,654	14,862,615	6,920,933	264,138	243,474	3,133,042	3,920,551	-	34,476,407
Accumulated depreciation									
Balance at beginning	1,025,550	2,264,312	3,237,770	110,736	218,383	1,947,875	3,535,154	-	12,339,780
Current charge	86,902	297,252	436,969	28,951	1,510	254,005	207,274	-	1,312,863
Exchange differences	-	-	(36,142)	(3,072)	(1,849)	(5,482)	(20,387)	-	(66,932)
Balance at end	1,112,452	2,561,564	3,638,597	136,615	218,044	2,196,398	3,722,041	-	13,585,711
Carrying amount	4,019,202	12,301,051	3,282,336	127,523	25,430	936,644	198,510	-	20,890,696

13. ACCOUNTANTS' REPORT *(Cont'd)*

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	Leasehold land RM	Building RM	Plant and machinery RM	Tools and equipment RM	Renovation RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work in progress RM	Total RM
2025									
At cost									
Balance at beginning	5,131,654	14,862,615	3,566,552	200,920	232,180	1,118,278	1,351,446	-	26,463,645
Additions	-	-	58,502	18,983	14,706	612,926	-	1,077,188	1,782,305
Transfer in	-	-	575,534	-	-	1,031,914	2,737,017	-	4,344,465
Disposal	-	-	-	-	-	-	(232,180)	-	(232,180)
Exchange differences	-	-	2,970	314	173	456	1,595	-	5,508
Balance at end	5,131,654	14,862,615	4,203,558	220,217	247,059	2,763,574	3,857,878	1,077,188	32,363,743
Accumulated depreciation									
Balance at beginning	938,648	1,967,060	2,354,524	90,094	210,536	806,286	1,064,701	-	7,431,849
Current charge	86,902	297,252	384,495	20,578	7,764	190,101	290,457	-	1,277,549
Transfer in	-	-	497,400	-	-	951,289	2,411,141	-	3,859,830
Disposal	-	-	-	-	-	-	(232,180)	-	(232,180)
Exchange differences	-	-	1,351	64	83	199	1,035	-	2,732
Balance at end	1,025,550	2,264,312	3,237,770	110,736	218,383	1,947,875	3,535,154	-	12,339,780
Carrying amount	4,106,104	12,598,303	965,788	109,481	28,676	815,699	322,724	1,077,188	20,023,963

13. ACCOUNTANTS' REPORT *(Cont'd)*

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	Leasehold land RM	Building RM	Plant and machinery RM	Tools and equipment RM	Renovation RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work in progress RM	Total RM
2024									
At cost									
Balance at beginning	5,131,654	14,862,615	3,502,191	102,535	240,477	951,427	1,265,250	-	26,056,149
Additions	-	-	142,400	100,023	22,038	168,946	92,000	-	525,407
Disposals	-	-	(67,217)	-	-	-	-	-	(67,217)
Written off	-	-	-	-	(29,767)	-	-	-	(29,767)
Exchange differences	-	-	(10,822)	(1,638)	(568)	(2,095)	(5,804)	-	(20,927)
Balance at end	5,131,654	14,862,615	3,566,552	200,920	232,180	1,118,278	1,351,446	-	26,463,645
Accumulated depreciation									
Balance at beginning	851,746	1,669,808	2,039,141	79,695	235,494	700,361	894,176	-	6,470,421
Current charge	86,902	297,252	359,849	10,676	4,906	106,764	174,647	-	1,040,996
Disposals	-	-	(38,767)	-	-	-	-	-	(38,767)
Written off	-	-	-	-	(29,767)	-	-	-	(29,767)
Exchange differences	-	-	(5,699)	(277)	(97)	(839)	(4,122)	-	(11,034)
Balance at end	938,648	1,967,060	2,354,524	90,094	210,536	806,286	1,064,701	-	7,431,849
Carrying amount	4,193,006	12,895,555	1,212,028	110,826	21,644	311,992	286,745	-	19,031,796

13. ACCOUNTANTS' REPORT *(Cont'd)*

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	Leasehold land RM	Building RM	Plant and machinery RM	Tools and equipment RM	Renovation RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work in progress RM	Total RM
2023									
At cost									
Balance at beginning	5,131,654	14,862,615	3,446,262	96,862	239,115	837,312	1,057,572	-	25,671,392
Additions	-	-	36,270	5,115	-	112,399	195,842	-	349,626
Exchange differences	-	-	19,659	558	1,362	1,716	11,836	-	35,131
Balance at end	5,131,654	14,862,615	3,502,191	102,535	240,477	951,427	1,265,250	-	26,056,149
Accumulated depreciation									
Balance at beginning	764,844	1,372,556	1,663,141	72,208	230,265	599,313	706,884	-	5,409,211
Current charge	86,902	297,252	368,496	7,177	3,977	99,991	181,180	-	1,044,975
Exchange differences	-	-	7,504	310	1,252	1,057	6,112	-	16,235
Balance at end	851,746	1,669,808	2,039,141	79,695	235,494	700,361	894,176	-	6,470,421
Carrying amount	4,279,908	13,192,807	1,463,050	22,840	4,983	251,066	371,074	-	19,585,728

(i) Leasehold land and building are pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 14 to the financial statements.

(ii) The carrying amount of lease asset which is pledged as a security for the finance lease liability as disclosed in Note 14 to the financial statements is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Motor vehicle	51,230	88,778	128,863	364,496

(iii) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

	Carrying amount RM	Current depreciation RM
2026		
Leasehold land	4,019,202	86,902
2025		
Leasehold land	4,106,104	86,902
2024		
Leasehold land	4,193,006	86,902
2023		
Leasehold land	4,279,908	86,902

Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Leasehold land	Amortise over its lease period of 57 and 60 years
Building	2%
Plant and machinery	10% - 20%
Tools and equipment	10% - 20%
Renovation	10% - 20%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	20%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

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5. **RIGHT-OF-USE ASSET AND LEASE LIABILITY**

As a lessee

The Group has a lease contract for warehouse used in its operations that has lease terms of 3 years. The Group is restricted from assigning and subleasing the leased asset.

The Group also has certain leases of warehouse with lease terms of 12 months. The Group applies the 'short-term lease' recognition exemptions for such leases.

Right-of-use asset

Set out below are the carrying amount of right-of-use asset and the movements during the financial year:

	Warehouse			
	2026 RM	**2025 RM**	**2024 RM**	**2023 RM**
Balance at beginning	238,872	380,611	-	-
Additions	-	-	446,891	-
Depreciation	(141,484)	(143,334)	(48,706)	-
Exchange differences	(7,883)	1,595	(17,574)	-
Balance at end	89,505	238,872	380,611	-

Lease liability

Set out below are the carrying amount of lease liability and the movements during the financial year:

	Warehouse			
	2026 RM	**2025 RM**	**2024 RM**	**2023 RM**
Balance at beginning	242,843	382,180	-	-
Additions	-	-	446,891	-
Accretion of interest	4,366	7,987	3,506	-
Payments	(147,004)	(148,926)	(50,606)	-
Exchange differences	(8,074)	1,602	(17,611)	-
Balance at end	92,131	242,843	382,180	-
Represented by:				
Non-current liability	-	98,352	241,837	-
Current liability	92,131	144,491	140,343	-
	92,131	242,843	382,180	-

The maturity analysis of lease liability is disclosed in Note 30.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	2026 RM	2025 RM	2024 RM	2023 RM
Accretion of interest on lease liability	4,366	7,987	3,506	-
Depreciation of right-of-use asset	141,484	143,334	48,706	-
Expense relating to short-term leases	120,056	76,790	151,155	132,015
Total amount recognised in profit or loss	265,906	228,111	203,367	132,015
Total cash outflows for leases	267,060	225,716	201,761	132,015

Material accounting policy information

Right-of-use asset

The Group applies a single recognition and measurement approach for all leases, except for short-term leases.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Category	
Warehouse	3 years

6. **INVENTORIES**

	2026 RM	2025 RM	2024 RM	2023 RM
At cost:				
Raw materials	33,233,385	37,917,284	16,299,013	10,663,015
Finished goods	17,450,911	9,653,099	983,091	3,120,490
	50,684,296	47,570,383	17,282,104	13,783,505
Cost of inventories recognised as cost of sales in profit or loss	212,958,363	194,984,513	98,167,325	79,439,713

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the first-in, first-out basis.

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7. **TRADE RECEIVABLES**

	2026 RM	2025 RM	2024 RM	2023 RM
Third parties	66,031,090	55,758,422	35,529,714	24,760,305
Less: Allowance for expected credit losses				
Balance at beginning	(400,385)	(400,385)	(394,081)	(374,176)
Current financial year	-	-	(6,304)	(19,905)
Balance at end	(400,385)	(400,385)	(400,385)	(394,081)
	65,630,705	55,358,037	35,129,329	24,366,224

The normal trade credit terms granted by the Group range from **30 to 120 days** (2025: 30 to 120 days; 2024: 30 to 120 days; 2023: 30 to 120 days). Other credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The currency profile of trade receivables is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Ringgit Malaysia	28,305,676	24,621,257	11,416,831	11,689,296
Thai Baht	22,604,212	17,841,834	13,978,702	6,325,847
United States Dollar	14,720,817	12,894,946	9,733,796	6,351,081
	65,630,705	55,358,037	35,129,329	24,366,224

8. **OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	2026 RM	2025 RM	2024 RM	2023 RM
Sundry receivables	105,793	537	-	12,880
Refundable deposits	101,522	84,285	80,582	31,008
Non-refundable deposits	-	162,128	162,093	-
Prepayments	4,733,053	1,977,139	3,829,531	421,364
VAT receivables	205,529	132,503	47,032	52,265
	5,145,897	2,356,592	4,119,238	517,517

The currency profile of other receivables, deposits and prepayments is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Ringgit Malaysia	4,706,842	2,131,690	3,840,499	414,209
Thai Baht	439,055	224,902	278,739	103,308
	5,145,897	2,356,592	4,119,238	517,517

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9. **CASH AND BANK BALANCES**

The currency profile of cash and bank balances is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Ringgit Malaysia	4,645,982	17,499,634	2,037,985	5,858,711
United States Dollar	4,880,029	4,459,235	663,344	4,110,889
Thai Baht	8,458,987	3,547,035	4,465,881	4,250,888
Singapore Dollar	987,428	1,040,295	557,754	234,692
Renminbi	175,318	225,179	89,152	272,459
Others	100	100	100	-
	19,147,844	26,771,478	7,814,216	14,727,639

10. **SHARE CAPITAL**

	Number of ordinary shares			
	2026	2025	2024	2023
Issued and fully paid:				
Balance at beginning	500,000,000	2,876,565	1,000	1,000
Share split	150,000,000	10,930,947	-	-
Issuance of ordinary shares	-	486,192,488	2,875,565	-
Balance at end	650,000,000	500,000,000	2,876,565	1,000

	Amount			
	2026 RM	2025 RM	2024 RM	2023 RM
Issued and fully paid:				
Balance at beginning	104,101,841	2,876,565	1,000	1,000
Issuance of ordinary shares	-	101,225,276	2,875,565	-
Balance at end	104,101,841	104,101,841	2,876,565	1,000

2026

The Company has undertaken the subdivision of shares which entails the subdivision of 500,000,000 ordinary shares into 650,000,000 ordinary shares.

2025

The Company had undertaken the subdivision of shares which entails the subdivision of 2,876,565 ordinary shares into 13,807,512 ordinary shares. The Company had increased its issued and fully paid-up ordinary share capital by way of issuance of:

(i) 34,412,790 new ordinary shares at an issue price of RM0.2082 each pursuant to the acquisition of GCFB as disclosed in Note 1.3 to the financial statements;

(ii) 307,163,602 new ordinary shares at an issue price of RM0.2082 each pursuant to the acquisition of Butterfield (M) Sdn. Bhd. as disclosed in Note 1.3 to the financial statements;

(iii) 6,060,341 new ordinary shares at an issue price of RM0.2082 each pursuant to the acquisition of G Brew Marketing Sdn. Bhd. as disclosed in Note 1.3 to the financial statements;

(iv) 38,555,755 new ordinary shares at an issue price of RM0.2082 each for cash consideration of RM8,027,308; and

(v) 100,000,000 new ordinary shares by way of converting amount due to a director of RM20,820,000.

2024

The Company had increased its issued and fully paid-up ordinary share capital by way of converting amount due to directors amounting to RM2,875,565.

The new ordinary shares issued rank *pari passu* in all respects with the existing ordinary shares of the Company.

11. **INVESTED EQUITY**

Invested equity comprised the share capital of the subsidiaries acquired. The amount has been reversed against the merger deficit as disclosed in Note 12 to the financial statements.

12. **MERGER DEFICIT**

The merger deficit comprises the differences between the cost of acquisition and the share capital of Butterfield (M) Sdn. Bhd. and G Brew Marketing Sdn. Bhd. during the restructuring among common shareholders.

13. **FOREIGN CURRENCY TRANSLATION RESERVE**

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

14. **BORROWINGS**

	2026 RM	2025 RM	2024 RM	2023 RM
Non-current liabilities				
Secured:				
Finance lease liability				
Minimum payments:				
Within one year	13,105	42,044	41,869	42,504
More than one year and less than two years	-	14,015	41,869	42,504
More than two years and less than five years	-	-	14,048	56,671
	13,105	56,059	97,786	141,679
Future finance charges	(921)	(4,587)	(9,188)	(14,777)
	12,184	51,472	88,598	126,902
Amount due within one year included under current liabilities	(12,184)	(38,442)	(37,340)	(36,962)
	-	13,030	51,258	89,940

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	2026 RM	2025 RM	2024 RM	2023 RM
Term loans				
Total amount repayable	-	-	304,935	1,125,965
Amount due within one year included under current liabilities	-	-	(304,935)	(821,030)
		-	-	304,935
	-	13,030	51,258	394,875
Current liabilities				
Secured:				
Finance lease liability	12,184	38,442	37,340	36,962
Term loans	-	-	304,935	821,030
	12,184	38,442	342,275	857,992
Total borrowings	12,184	51,472	393,533	1,252,867

The borrowings are secured by way of:

(i) first legal charge over the leasehold land and building of the Group as disclosed in Note 4 to the financial statements;
(ii) joint and several guarantee of certain directors of the Company in the prior years; and
(iii) leased asset as disclosed in Note 4 to the financial statements.

A summary of the effective interest rates and maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
2026					
Finance lease liability	5.83	12,184	12,184	-	-
2025					
Finance lease liability	5.83	51,472	38,442	13,030	-
2024					
Finance lease liability	5.83	88,598	37,340	38,283	12,975
Term loans	4.61	304,935	304,935	-	-
2023					
Finance lease liability	5.83	126,902	36,962	37,906	52,034
Term loans	4.29	1,125,965	821,030	304,935	-

The currency profile of borrowings is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Thai Baht	12,184	51,472	88,598	126,902
Ringgit Malaysia	-	-	304,935	1,125,965
	12,184	51,472	393,533	1,252,867

15. **DEFERRED TAX LIABILITIES**

	2026 RM	2025 RM	2024 RM	2023 RM
Balance at beginning	799,000	915,000	780,000	857,000
Recognised in profit or loss	50,000	(62,000)	16,000	(53,000)
	849,000	853,000	796,000	804,000
Under/(Over) provision in prior year	188,000	(54,000)	119,000	(24,000)
Balance at end	1,037,000	799,000	915,000	780,000

The deferred tax liabilities at the end of the reporting period are made up of the temporary differences arising from:

	2026 RM	2025 RM	2024 RM	2023 RM
Property, plant and equipment	1,300,000	979,000	1,005,000	870,000
Provision	(90,000)	(90,000)	(90,000)	(90,000)
Other deductible temporary differences	(173,000)	(90,000)	-	-
	1,037,000	799,000	915,000	780,000

16. **TRADE PAYABLES**

The currency profile of trade payables is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
United States Dollar	8,518,287	1,889,602	1,027,854	2,835,868
Ringgit Malaysia	2,293,972	478,650	1,031,404	142,426
Thai Baht	158,483	652,517	378,775	42,914
	10,970,742	3,020,769	2,438,033	3,021,208

Trade payables of the Group are non-interest bearing and are normally settled within **30 to 120 days** (2025: 15 to 120 days; 2024: 30 to 120 days; 2023: 30 to 120 days) credit terms.

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17. **OTHER PAYABLES AND ACCRUALS**

	2026 RM	2025 RM	2024 RM	2023 RM
Sundry payables	27,319	177,163	196,356	39,195
Accruals	290,428	348,601	265,608	324,145
Deposits received	-	-	-	2,866
Sales and service tax ("SST") payable	70,765	63,933	11,032	5,139
	388,512	589,697	472,996	371,345

The currency profile of other payables and accruals is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Ringgit Malaysia	253,765	147,933	42,032	191,945
Thai Baht	134,747	441,764	430,964	179,400
	388,512	589,697	472,996	371,345

18. **AMOUNT DUE TO DIRECTORS**

The amount due to directors are unsecured, non-interest bearing and repayable on demand.

19. **REVENUE**

19.1 **Disaggregated revenue information**

	2026 RM	2025 RM	2024 RM	2023 RM
Sales of goods recognised at a point in time, representing total revenue from contracts with customers	272,126,885	245,333,423	120,530,943	97,882,590
Geographical markets				
Malaysia	155,030,250	146,971,759	62,798,344	53,615,674
Thailand	103,518,258	84,651,686	47,427,432	34,881,002
Indonesia	6,885,799	6,695,712	3,895,590	2,815,244
Taiwan	4,171,395	3,892,023	4,450,454	6,198,644
China	1,011,173	383,426	1,035,727	107,784
Middle East	787,320	-	-	-
Cambodia	722,690	905,380	-	-
Philippines	-	1,325,866	651,044	-
Papua New Guinea	-	507,571	272,352	264,242
Total revenue from contracts with customers	272,126,885	245,333,423	120,530,943	97,882,590

19.2 **Contract balance**

	2026 RM	2025 RM	2024 RM	2023 RM
Trade receivables (Note 7)	65,630,705	55,358,037	35,129,329	24,366,224

19.3 **Performance obligations**

Sales of goods

Revenue from the sales of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

20. **OTHER INCOME**

	2026 RM	2025 RM	2024 RM	2023 RM
Gain on disposal of property, plant and equipment	-	30,000	45,130	-
Realised gain on foreign exchange	359,055	405,832	563,388	625,886
Others	11,915	8,994	13,102	2,862
	370,970	444,826	621,620	628,748

21. **FINANCE COSTS**

	2026 RM	2025 RM	2024 RM	2023 RM
Accretion of interest on lease liability	4,366	7,987	3,506	-
Interest expenses on:				
- finance lease liability	3,666	4,601	5,589	4,656
- term loans	-	1,945	31,028	65,797
	8,032	14,533	40,123	70,453

22. **FINANCE INCOME**

	2026 RM	2025 RM	2024 RM	2023 RM
Interest income	436,447	366,291	235,276	158,203

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23. **PROFIT BEFORE TAX**

This is arrived at:

	2026 RM	2025 RM	2024 RM	2023 RM
After charging:				
Allowance for expected credit losses on trade receivables	-	-	6,304	19,905
Depreciation of:				
- Property, plant and equipment	1,312,863	1,277,549	1,040,996	1,044,975
- Right-of-use asset	141,484	143,334	48,706	-
Directors' fees				
- Non-executive directors	175,000	-	-	-
Expense relating to short-term leases	120,056	76,790	151,155	132,015
Realised loss on foreign exchange	1,395,311	69,142	406,134	21,791
* Staff costs	7,843,711	6,882,966	4,563,910	3,877,614
Unrealised loss on foreign exchange	324,605	-	-	332,901
*** Staff costs**				
- Salaries, bonus, allowances and incentive	7,156,471	6,319,119	4,186,139	3,532,059
- Defined contribution plan ("EPF")	617,020	501,585	338,067	306,081
- Social security contribution ("SOCSO")	64,641	56,978	36,472	34,310
- Employment insurance scheme ("EIS")	5,579	5,284	3,232	5,164
	7,843,711	6,882,966	4,563,910	3,877,614

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Directors' emoluments

The aggregate amount of remuneration received and receivable by directors of the Company and its subsidiaries are as shown below:

	2026 RM	2025 RM	2024 RM	2023 RM
Executive directors of the Company:				
- Salaries, bonus and allowances	2,098,598	1,755,239	1,488,110	1,383,972
- EPF	151,920	131,820	114,420	111,540
- SOCSO	3,749	3,487	3,122	3,123
- EIS	428	398	356	356
Directors' emoluments included in the staff costs	2,254,695	1,890,944	1,606,008	1,498,991
Benefits-in-kind	19,800	34,800	34,800	34,800
	2,274,495	1,925,744	1,640,808	1,533,791
Executive directors of the subsidiaries:				
- Salaries, bonus and allowances	689,062	725,527	380,309	348,179
- EPF	14,640	11,880	11,700	11,700
- SOCSO	1,250	1,162	1,040	1,126
- EIS	143	133	119	119
	705,095	738,702	393,168	361,124
Total directors' emoluments	2,979,590	2,664,446	2,033,976	1,894,915

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24. **TAXATION**

	2026 RM	2025 RM	2024 RM	2023 RM
Based on results for the financial year				
- Current tax				
- Malaysian income tax	(8,568,000)	(7,731,000)	(3,335,459)	(2,643,000)
- Foreign tax	(2,302,555)	(1,664,543)	(495,034)	(270,164)
- Deferred tax relating to the origination and reversal of temporary differences	(50,000)	62,000	(16,000)	53,000
	(10,920,555)	(9,333,543)	(3,846,493)	(2,860,164)
(Under)/Over provision in prior year				
- Current tax	15,647	(21,905)	(10,881)	(7,593)
- Deferred tax	(188,000)	54,000	(119,000)	24,000
	(172,353)	32,095	(129,881)	16,407
	(11,092,908)	(9,301,448)	(3,976,374)	(2,843,757)

Taxation for other jurisdiction is calculated at the rate prevailing in that jurisdiction.

The reconciliation of taxation of the Group is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Profit before tax	46,128,867	39,710,021	15,410,777	12,381,491
Income tax at Malaysian statutory tax rate of 24%	(11,070,928)	(9,530,405)	(3,698,586)	(2,971,558)
Reduced tax rate on first RM600,000 chargeable income	-	-	22,059	43,042
Effect of tax rate in foreign jurisdiction	449,782	325,939	76,043	67,583
Income not subject to tax	-	-	-	111,105
Expenses not deductible for tax purposes	(299,409)	(129,077)	(246,009)	(110,336)
	(10,920,555)	(9,333,543)	(3,846,493)	(2,860,164)
(Under)/Over provision in prior year	(172,353)	32,095	(129,881)	16,407
	(11,092,908)	(9,301,448)	(3,976,374)	(2,843,757)

A subsidiary, being a Malaysian resident company with a paid-up capital of RM2.5 million or less and having gross business income from one or more sources of not more than RM50 million qualifies for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM150,000 of chargeable income: 15%
On the next RM150,001 to RM600,000 of chargeable income: 17%
In excess of RM600,000 of chargeable income: Malaysian corporate statutory tax rate of 24%

However, the above concession is no longer applicable as the parent company's share capital has exceeded RM2.5 million as at 30 April 2025.

Unrecognised temporary differences relating to investment in subsidiaries

At the end of the reporting period, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the Group's certain subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised amount to **RM24,916,985** (2025: RM15,973,857; 2024: RM9,492,321; 2023: RM8,086,270). The deferred tax liability is estimated to be **RM2,491,699** (2025: RM1,597,386; 2024: RM949,232; 2023: RM808,627).

25. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year:

	2026	2025	2024	2023
Profit attributable to owners of the Company (RM)	30,396,681	26,847,685	10,641,934	8,671,924
Weighted average number of ordinary shares in issue	650,000,000	402,001,826 [(i)]	286,251,190 [(ii)]	268,328,444 [(ii)]
Basic earnings per share (sen)	4.68	6.68	3.72	3.23

[(i)] Based on the weighted average number of ordinary shares in issue after the completion of the share split happens in the financial year ended 2026.

[(ii)] Based on the weighted average number of ordinary shares in issue after the completion of the share split happens in the financial year ended 2026 and 2025 and the acquisition of Butterfield (M) Sdn. Bhd. and G Brew Marketing Sdn. Bhd.

Diluted earnings per share

Diluted earnings per share is not applicable as the Group does not have any potential dilutive equity instruments that would give a diluted effect to the basic earnings per share.

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26. **DIVIDENDS**

	2026 RM	2025 RM	2024 RM	2023 RM
In respect of financial year ended 30 April 2026:				
- First interim single tier dividend of approximately RM0.0231 per ordinary share	15,000,000	-	-	-
- Second interim single tier dividend of approximately RM0.0231 per ordinary share	15,000,000	-	-	-
	30,000,000	-	-	-

27. **SEGMENTAL INFORMATION**

Operating segment is presented in respect of the Group's business segments. The business segments are based on the Group's management and internal reporting structure.

Segment results, and assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The Group comprises the following main business segments:

(i)	Manufacturing	Processing, blending and selling of coffee extract powder blends and tea extract powder blends.
(ii)	Trading	Trading of food ingredients and instant beverage premix.
(iii)	Others	Investment holding.

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial years.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

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By business segments

2026

	Manufacturing RM	Trading RM	Others RM	Elimination RM	Note	Total RM
Revenue						
External customers	212,640,978	59,485,907	-	-		272,126,885
Inter-segment revenue	3,009,550	-	30,000,000	(33,009,550)	**A**	-
Total revenue	215,650,528	59,485,907	30,000,000	(33,009,550)		272,126,885
Results						
Operating profit	34,256,434	11,731,628	(287,610)	-		45,700,452
Finance costs	(8,032)	-	-	-		(8,032)
Finance income	116,387	154,505	165,555	-		436,447
Profit before tax	34,364,789	11,886,133	(122,055)	-		46,128,867
Taxation						(11,092,908)
Profit for the financial year						35,035,959
Assets						
Segment assets	131,513,937	26,528,522	3,546,484	-		161,588,943
Current tax assets						41,400
Total assets						161,630,343
Liabilities						
Segment liabilities	6,027,416	5,344,153	92,000	-		11,463,569
Deferred tax liabilities						1,037,000
Current tax liabilities						4,259,489
Total liabilities						16,760,058
Other segment information						
Additions to non-current assets	2,102,469	105,303	-	-	**B**	2,207,772
Depreciation						
- property, plant and equipment	987,058	325,805	-	-		1,312,863
- right-of-use asset	141,484	-	-	-		141,484
Non-cash expenses other than depreciation	328,971	-	-	-	**C**	328,971

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2025

	Manufacturing RM	Trading RM	Others RM	Elimination RM	Note	Total RM
Revenue						
External customers	183,435,081	61,898,342	-	-		245,333,423
Inter-segment revenue	3,803,046	-	-	(3,803,046)	**A**	-
Total revenue	187,238,127	61,898,342	-	(3,803,046)		245,333,423
Results						
Operating profit	26,340,143	13,074,596	(56,476)	-		39,358,263
Finance costs	(14,533)	-	-	-		(14,533)
Finance income	109,653	132,986	123,652	-		366,291
Profit before tax	26,435,263	13,207,582	67,176	-		39,710,021
Taxation						(9,301,448)
Profit for the financial year						30,408,573
Assets						
Segment assets	119,805,907	24,419,854	8,093,564	-		152,319,325
Current tax assets						15,000
Total assets						152,334,325
Liabilities						
Segment liabilities	1,161,404	2,723,377	20,000	-		3,904,781
Deferred tax liabilities						799,000
Current tax liabilities						5,834,832
Total liabilities						10,538,613
Other segment information						
Additions to non-current assets	1,737,584	529,356	-	-	**B**	2,266,940
Depreciation						
- property, plant and equipment	935,115	342,434	-	-		1,277,549
- right-of-use asset	143,334	-	-	-		143,334
Non-cash income other than depreciation	7,987	(30,000)	-	-	**C**	(22,013)

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2024

	Manufacturing RM	Trading RM	Others RM	Elimination RM	Note	Total RM
Revenue						
External customers	113,657,676	6,873,267	-	-		120,530,943
Inter-segment revenue	1,442,898	-	-	(1,442,898)	A	-
Total revenue	115,100,574	6,873,267	-	(1,442,898)		120,530,943
Results						
Operating profit	13,918,450	1,302,175	(5,001)	-		15,215,624
Finance costs	(40,123)	-	-	-		(40,123)
Finance income	179,598	55,678	-	-		235,276
Profit before tax	14,057,925	1,357,853	(5,001)	-		15,410,777
Taxation						(3,976,374)
Profit for the financial year						11,434,403
Assets						
Segment assets, representing total total assets	80,713,507	3,042,788	999	-		83,757,294
Liabilities						
Segment liabilities	5,711,582	27,450	17,919	-		5,756,951
Deferred tax liabilities						915,000
Current tax liabilities						1,713,389
Total liabilities						8,385,340
Other segment information						
Additions to non-current assets	970,814	1,484	-	-	B	972,298
Depreciation						
- property, plant and equipment	898,038	142,958	-	-		1,040,996
- right-of-use asset	48,706	-	-	-		48,706
Non-cash income other than depreciation	(41,624)	6,304	-	-	C	(35,320)

13. ACCOUNTANTS' REPORT *(Cont'd)*

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2023

	Manufacturing RM	Trading RM	Others RM	Elimination RM	Note	Total RM
Revenue						
External customers	88,146,833	9,735,757	-	-		97,882,590
Inter-segment revenue	2,077,811	-	-	(2,077,811)	**A**	-
Total revenue	90,224,644	9,735,757	-	(2,077,811)		97,882,590
Results						
Operating profit	11,162,008	1,137,463	(5,730)	-		12,293,741
Finance costs	(70,453)	-	-	-		(70,453)
Finance income	147,231	10,972	-	-		158,203
Profit before tax	11,238,786	1,148,435	(5,730)	-		12,381,491
Taxation						(2,843,757)
Profit for the financial year						9,537,734
Assets						
Segment assets, representing total total assets	70,338,314	2,641,299	1,000	-		72,980,613
Liabilities						
Segment liabilities	6,612,580	85,177	2,888,483	-		9,586,240
Deferred tax liabilities						780,000
Current tax liabilities						1,386,362
Total liabilities						11,752,602
Other segment information						
Additions to non-current assets	327,229	22,397	-	-	**B**	349,626
Depreciation of property, plant and equipment	906,699	138,276	-	-		1,044,975
Non-cash expenses other than depreciation	332,901	19,905	-	-	**C**	352,806

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Notes to segmental information:

A. Inter-segment revenue are eliminated on consolidation.

B. Additions to non-current assets consist of total cost incurred to acquire property, plant and equipment and right-of-use asset.

C. Other material non-cash expenses/(income) other than depreciation consist of the following items:

	2026 RM	2025 RM	2024 RM	2023 RM
Accretion of interest on lease liability	4,366	7,987	3,506	-
Allowance for expected credit losses on trade receivables	-	-	6,304	19,905
Gain on disposal of property, plant and equipment	-	(30,000)	(45,130)	-
Unrealised loss on foreign exchange	324,605	-	-	332,901
	328,971	(22,013)	(35,320)	352,806

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers as disclosed in Note 19.1 to the financial statements. Segment assets are based on the geographical location of assets.

	Non-current assets			
	2026 RM	2025 RM	2024 RM	2023 RM
Malaysia	20,489,482	19,511,203	18,367,684	18,891,463
Thailand	490,719	751,632	1,044,723	694,265
	20,980,201	20,262,835	19,412,407	19,585,728

Information about major customers

The following are major customers which individually contributed to more than 10% of the Group's total revenue:

	2026 RM	2025 RM	2024 RM	2023 RM
Customer A	45,155,590	37,424,307	20,669,148	14,857,413
Customer B	*	*	12,033,172	*

* Not applicable as the contribution is less than 10% of the Group's total revenue.

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28. **RELATED PARTY DISCLOSURES**

(i) **Identity of related party**

The Group has related party relationship with its key management personnel and the following parties:

Related parties		**Relationship**
Golden Chemical Sdn. Bhd.	:	A company in which certain directors of the Company have financial interests.
Kotchasilp Beverage Co., Ltd.	:	A company in which a director of a subsidiary has financial interests.
Sipsense Co., Ltd.	:	A company in which a director of the Company has financial interests.

(ii) **Significant related party transactions**

In addition to the related party information and transactions disclosed elsewhere in the financial statements, the following significant related party transactions have been entered into at terms agreed between the parties during the financial year.

	2026 RM	**2025 RM**	**2024 RM**	**2023 RM**
Acquisition of additional equity interest in GCT from a shareholder of a subsidiary	450,692	-	-	-
Acquisition of additional equity interest in MJC from a director and person connected to a director	-	38,168	-	-
Acquisition of plant and equipment and inventories from Golden Chemical Sdn. Bhd.	-	7,164,743	-	-
Sales of goods to:				
- Kotchasilp Beverage Co., Ltd.	2,556,840	975,931	617,550	408,684
- Sipsense Co., Ltd.	-	27,469	-	-

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	2026 RM	2025 RM	2024 RM	2023 RM
Purchases of goods from Golden Chemical Sdn. Bhd.	-	-	939,147	1,081,532
Subcontract charges paid to Kotchasilp Beverage Co., Ltd.	704,075	784,930	337,307	705,520
Advances received from a director	-	20,820,000	-	-
Payment on behalf by a director	-	-	5,001	6,510
Repayment to directors:				
- advances	-	(2,054,290)	-	-
- payment on behalf	-	(15,919)	-	-
Capitalisation of amount due to directors	-	20,820,000	-	-

(iii) **Compensation of key management personnel**

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The remuneration of the directors and other members of key management personnel during the financial year is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Fees	175,000	-	-	-
Salaries, bonus and allowances	3,371,993	2,956,551	2,029,417	1,766,951
EPF	217,488	186,906	140,640	123,240
SOCSO	7,499	6,729	4,855	4,249
EIS	857	768	554	475
	3,772,837	3,150,954	2,175,466	1,894,915
Analysed as:				
Directors	3,154,590	2,664,446	2,033,976	1,894,915
Other key management personnel	618,247	486,508	141,490	-
	3,772,837	3,150,954	2,175,466	1,894,915

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29. **CAPITAL COMMITMENTS**

	2026 RM	2025 RM	2024 RM	2023 RM
Contracted but not provided for:				
- Property, plant and equipment	-	239,293	181,044	-

30. **FINANCIAL INSTRUMENTS**

30.1 **Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
2026		
Financial assets		
Trade receivables	65,630,705	65,630,705
Other receivables and refundable deposits	207,315	207,315
Cash and bank balances	19,147,844	19,147,844
	84,985,864	84,985,864
Financial liabilities		
Borrowings	12,184	12,184
Trade payables	10,970,742	10,970,742
Other payables and accruals excluding SST payable	317,747	317,747
	11,300,673	11,300,673
2025		
Financial assets		
Trade receivables	55,358,037	55,358,037
Other receivables and refundable deposits	84,822	84,822
Cash and bank balances	26,771,478	26,771,478
	82,214,337	82,214,337
Financial liabilities		
Borrowings	51,472	51,472
Trade payables	3,020,769	3,020,769
Other payables and accruals excluding SST payable	525,764	525,764
	3,598,005	3,598,005

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	Carrying amount RM	AC RM
2024		
Financial assets		
Trade receivables	35,129,329	35,129,329
Other receivables and refundable deposits	80,582	80,582
Cash and bank balances	7,814,216	7,814,216
	43,024,127	43,024,127
Financial liabilities		
Borrowings	393,533	393,533
Trade payables	2,438,033	2,438,033
Other payables and accruals excluding SST payable	461,964	461,964
Amount due to directors	2,070,209	2,070,209
	5,363,739	5,363,739
2023		
Financial assets		
Trade receivables	24,366,224	24,366,224
Other receivables and refundable deposits	43,888	43,888
Cash and bank balances	14,727,639	14,727,639
	39,137,751	39,137,751
Financial liabilities		
Borrowings	1,252,867	1,252,867
Trade payables	3,021,208	3,021,208
Other payables and accruals excluding SST payable	366,206	366,206
Amount due to directors	4,940,820	4,940,820
	9,581,101	9,581,101

30.2 **Financial risk management**

The Group is exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

30.3 **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises principally from its trade receivables.

Trade receivables

The Group gives its customers credit terms that range between **30 to 120 days** (2025: 30 to 120 days; 2024: 30 to 120 days; 2023: 30 to 120 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount as disclosed in Note 7 to the financial statements.

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
2026			
Not past due	30,048,035	-	30,048,035
1 to 30 days past due	18,078,791	-	18,078,791
31 to 60 days past due	10,363,106	-	10,363,106
61 to 90 days past due	6,016,296	-	6,016,296
More than 90 days past due	1,124,477	-	1,124,477
	35,582,670	-	35,582,670
Impaired	400,385	(400,385)	-
	66,031,090	(400,385)	65,630,705
2025			
Not past due	30,449,873	-	30,449,873
1 to 30 days past due	13,938,157	-	13,938,157
31 to 60 days past due	7,593,209	-	7,593,209
61 to 90 days past due	2,141,583	-	2,141,583
More than 90 days past due	1,235,215	-	1,235,215
	24,908,164	-	24,908,164
Impaired	400,385	(400,385)	-
	55,758,422	(400,385)	55,358,037
2024			
Not past due	9,212,778	-	9,212,778
1 to 30 days past due	13,827,772	-	13,827,772
31 to 60 days past due	8,553,015	-	8,553,015
61 to 90 days past due	3,139,770	-	3,139,770
More than 90 days past due	395,994	-	395,994
	25,916,551	-	25,916,551
Impaired	400,385	(400,385)	-
	35,529,714	(400,385)	35,129,329

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	Gross RM	Allowance for expected credit losses RM	Net RM
2023			
Not past due	13,638,190	-	13,638,190
1 to 30 days past due	4,461,414	-	4,461,414
31 to 60 days past due	3,457,661	-	3,457,661
61 to 90 days past due	2,325,942	-	2,325,942
More than 90 days past due	483,017	-	483,017
	10,728,034	-	10,728,034
Impaired	394,081	(394,081)	-
	24,760,305	(394,081)	24,366,224

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM35,582,670** (2025: RM24,908,164; 2024: RM25,916,551; 2023: RM10,728,034) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has significant concentration of credit risk in the form of outstanding balance due from **4 customers** (2025: 4 customers; 2024: 3 customers; 2023: 3 customers) representing **58%** (2025: 48%; 2024: 52%; 2023: 47%) of the total trade receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and expected credit losses ("ECL") for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM	Allowance for ECL RM	Net RM
Credit risk rating			
2026			
Low risk	65,630,705	-	65,630,705
Individually impaired	400,385	(400,385)	-
	66,031,090	(400,385)	65,630,705

	Gross RM	Allowance for ECL RM	Net RM
2025			
Low risk	55,358,037	-	55,358,037
Individually impaired	400,385	(400,385)	-
	55,758,422	(400,385)	55,358,037
2024			
Low risk	35,129,329	-	35,129,329
Individually impaired	400,385	(400,385)	-
	35,529,714	(400,385)	35,129,329
2023			
Low risk	24,366,224	-	24,366,224
Individually impaired	394,081	(394,081)	-
	24,760,305	(394,081)	24,366,224

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for ECL of trade receivables at an amount equal to lifetime ECL using a simplified approach. The ECL on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as gross domestic products ("GDP") rate has been incorporated in determining the ECL.

Trade receivables are usually collectible and the Group does not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No ECL is provided for the low credit risk trade receivables during the financial years under review based on the above assessment as the impact to the Group's financial statements is not material.

30.4 **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements.

The table below summarises the maturity profile of the Group's financial liabilities as at the end of each reporting period based on the undiscounted contractual payments:

BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
2026				
Non-derivative financial liabilities				
Borrowings	12,184	13,105	13,105	-
Lease liability	92,131	92,996	92,996	-
Trade payables	10,970,742	10,970,742	10,970,742	-
Other payables and accruals excluding SST payable	317,747	317,747	317,747	-
Total undiscounted financial liabilities	11,392,804	11,394,590	11,394,590	-
2025				
Non-derivative financial liabilities				
Borrowings	51,472	56,059	42,044	14,015
Lease liability	242,843	248,190	148,914	99,276
Trade payables	3,020,769	3,020,769	3,020,769	-
Other payables and accruals excluding SST payable	525,764	525,764	525,764	-
Total undiscounted financial liabilities	3,840,848	3,850,782	3,737,491	113,291
2024				
Non-derivative financial liabilities				
Borrowings	393,533	407,467	351,550	55,917
Lease liability	382,180	395,459	148,297	247,162
Trade payables	2,438,033	2,438,033	2,438,033	-
Other payables and accruals excluding SST payable	461,964	461,964	461,964	-
Amount due to directors	2,070,209	2,070,209	2,070,209	-
Total undiscounted financial liabilities	5,745,919	5,773,132	5,470,053	303,079

BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
2023				
Non-derivative financial liabilities				
Borrowings	1,252,867	1,301,223	892,697	408,526
Trade payables	3,021,208	3,021,208	3,021,208	-
Other payables and accruals excluding SST payable	366,206	366,206	366,206	-
Amount due to directors	4,940,820	4,940,820	4,940,820	-
Total undiscounted financial liabilities	9,581,101	9,629,457	9,220,931	408,526

30.5 **Interest rate risk**

The Group's fixed rate instruments are exposed to a risk of change in its fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest bearing financial instruments based on their carrying amounts as at the end of the reporting period is as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Fixed rate instruments				
Financial liabilities	12,184	51,472	88,598	126,902
Floating rate instruments				
Financial liabilities	-	-	304,935	1,125,965

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have an insignificant impact to the Group's profit before tax and equity. This change is considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

BUTTERFIELD FB BERHAD
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(Incorporated in Malaysia)

30.6 **Foreign currency risk**

The objectives of the Group's foreign exchange policy is to allow the Group to manage exposures that arise from business activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily Thai Baht ("THB"), United States Dollar ("USD"), Singapore Dollar ("SGD") and Renminbi ("RMB").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against RM, with all other variables held constant, of the Group's profit before tax and equity. A 10% strengthening of RM against the following currencies at the end of the reporting period would have decreased profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	2026 RM	2025 RM	2024 RM	2023 RM
THB	3,119,684	2,046,802	1,782,499	1,033,083
USD	(245,225)	1,546,458	936,929	762,610
SGD	98,743	104,030	55,775	23,469
RMB	17,532	22,518	8,915	27,246
Decrease in profit before tax	2,990,734	3,719,808	2,784,118	1,846,408
Decrease in equity	2,272,958	2,827,054	2,115,930	1,403,270

31. **FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

The carrying amounts of the Group's financial assets and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liability is reasonable approximation of fair values due to the insignificant impact of discounting.

BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

32. **CAPITAL MANAGEMENT**

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its business and to maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group considers its total equity and total borrowing to be the key components of its capital structure. The Group monitors capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	2026 RM	2025 RM	2024 RM	2023 RM
Total borrowings	12,184	51,472	393,533	1,252,867
Less: Cash and bank balances	(19,147,844)	(26,771,478)	(7,814,216)	(14,727,639)
Net cash	(19,135,660)	(26,720,006)	(7,420,683)	(13,474,772)
Total equity	144,870,285	141,795,712	75,371,954	61,228,011
Gearing ratio	N/A[(i)]	N/A[(i)]	N/A[(i)]	N/A[(i)]

[(i)] N/A – Not applicable due to net cash position

33. **SIGNIFICANT EVENT**

On 23 April 2026, the Company has obtained the approvals from Bursa Malaysia Securities Berhad in relation to the listing on ACE Market of Bursa Malaysia Securities Berhad. As of the date of this report, the Company is in the process of completing the necessary procedures for its listing on ACE Market of Bursa Malaysia Securities Berhad, which is anticipated to be in September 2026.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2026

GRANT THORNTON MALAYSIA PLT

CHARTERED ACCOUNTANTS

Member Firm of Grant Thornton International Ltd.

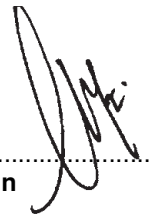
14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION *(Cont'd)*

BUTTERFIELD FB BERHAD
Registration No. 202101015925 (1416225-X)
(Incorporated in Malaysia)

APPROVAL BY BOARD OF DIRECTORS

The pro forma consolidated statements of financial position has been approved for issue in accordance with a resolution of the Board of Directors of Butterfield FB Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:





…… ……

Yeap Chin Loon **Lee Mong Khai**

Date: 31 July 2026

Grant Thornton

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Date: 31 July 2026

Grant Thornton Malaysia PLT
Level 5, Menara BHL
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10050 Penang
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The Board of Directors
Butterfield FB Berhad
1191, Lorong Perindustrian Bukit Minyak 19
Taman Perindustrian Bukit Minyak
14100 Simpang Ampat
Penang

Dear Sirs/Madams,

BUTTERFIELD FB BERHAD ("BUTTERFIELD FB" OR "COMPANY") AND ITS SUBSIDIARIES ("BUTTERFIELD FB GROUP" OR "GROUP")

REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of the Company as at 30 April 2026 together with the accompanying notes thereon, for which we have stamped for the purpose of identification. The pro forma consolidated statements of financial position has been compiled by the Board of Directors of the Company for inclusion in the Prospectus in connection with the listing of and quotation for its entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

The applicable criteria on the basis of which the Board of Directors has compiled the pro forma consolidated statements of financial position are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and described in Note 1 to the pro forma consolidated statements of financial position ("Applicable Criteria").

The pro forma consolidated statements of financial position has been compiled by the Board of Directors to illustrate the impact of the events or transactions as set out in the notes thereon to the pro forma consolidated statements of financial position of the Company as at 30 April 2026 had the events occurred or the transactions been undertaken on 30 April 2026. As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the audited consolidated financial statements of the Company for the financial year ended 30 April 2026, on which a reporting accountants' report dated 31 July 2026 has been issued without any modification.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Board of Directors is responsible for compiling the pro forma consolidated statements of financial position on the basis of the Applicable Criteria.

Audit | Tax | Advisory

Chartered Accountants
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14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION *(Cont'd)*

Grant Thornton

Reporting Accountant's Independence and Quality Management

We have complied with the independence and other ethical requirement of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, the firm is required to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines, about whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Board of Directors of the Company on the basis of the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of Butterfield FB Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION *(Cont'd)*

Grant Thornton

Reporting Accountants' Responsibilities (cont'd)

The procedures selected depend on our judgement, having regard to our understanding of the nature of Butterfield FB Group, the events or transactions in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statements of financial position of Butterfield FB Group has been compiled, in all material respects, on the basis of the Applicable Criteria.

Other matter

This report has been prepared solely for inclusion in the Prospectus in connection with the Listing. As such, this report should not be used or relied upon for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Penang

Loo Wei Teng
No. 03487/03/2028 J
Chartered Accountant

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION *(Cont'd)*

BUTTERFIELD FB BERHAD AND ITS SUBSIDIARIES ("BUTTERFIELD FB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2026

The pro forma consolidated statements of financial position of Butterfield FB Group as at 30 April 2026 as set out below have been prepared for illustrative purposes only to show the effects of the transactions as set out in Note 2 to the pro forma consolidated statements of financial position, had the events occurred or the transactions been undertaken on 30 April 2026, and should be read in conjunction with the accompanying notes to the pro forma consolidated statements of financial position.

			Pro Forma I		Pro Forma II
	As at 30 April 2026	Public Issue ("IPO")	After Public Issue ("IPO")	Utilisation of Proceeds from IPO	After Pro Forma I and Utilisation of Proceeds from IPO
	RM	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	20,890,696	-	20,890,696	-	20,890,696
Right-of-use asset	89,505	-	89,505	-	89,505
Total non-current assets	20,980,201		20,980,201		20,980,201
Current assets					
Inventories	50,684,296	-	50,684,296	-	50,684,296
Trade receivables	65,630,705	-	65,630,705	-	65,630,705
Other receivables, deposits and prepayments	5,145,897	-	5,145,897	(2,619,990)	2,525,907
Current tax assets	41,400	-	41,400	-	41,400
Cash and bank balances	19,147,844	72,000,000	91,147,844	(3,380,010)	87,767,834
Total current assets	140,650,142		212,650,142		206,650,142
Total assets	161,630,343		233,630,343		227,630,343
EQUITY AND LIABILITIES					
Equity					
Share capital	104,101,841	72,000,000	176,101,841	(2,772,900)	173,328,941
Merger deficit	(54,913,223)	-	(54,913,223)	-	(54,913,223)
Foreign currency translation reserve	(1,388,805)	-	(1,388,805)	-	(1,388,805)
Retained profits	84,432,527	-	84,432,527	(3,227,100)	81,205,427
	132,232,340		204,232,340		198,232,340
Non-controlling interests	12,637,945	-	12,637,945	-	12,637,945
Total equity	144,870,285		216,870,285		210,870,285

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14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION *(Cont'd)*

BUTTERFIELD FB BERHAD AND ITS SUBSIDIARIES ("BUTTERFIELD FB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2026

The pro forma consolidated statements of financial position of Butterfield FB Group as at 30 April 2026 as set out below have been prepared for illustrative purposes only to show the effects of the transactions as set out in Note 2 to the pro forma consolidated statements of financial position, had the events occurred or the transactions been undertaken on 30 April 2026, and should be read in conjunction with the accompanying notes to the pro forma consolidated statements of financial position. (cont'd)

			Pro Forma I		Pro Forma II
	As at 30 April 2026	Public Issue ("IPO")	After Public Issue ("IPO")	Utilisation of Proceeds from IPO	After Pro Forma I and Utilisation of Proceeds from IPO
	RM	RM	RM	RM	RM
LIABILITIES					
Non-current liability					
Deferred tax liabilities	1,037,000	-	1,037,000	-	1,037,000
Current liabilities					
Trade payables	10,970,742	-	10,970,742	-	10,970,742
Other payables and accruals	388,512	-	388,512	-	388,512
Borrowings	12,184	-	12,184	-	12,184
Lease liability	92,131	-	92,131	-	92,131
Current tax liabilities	4,259,489	-	4,259,489	-	4,259,489
Total current liabilities	15,723,058		15,723,058		15,723,058
Total liabilities	16,760,058		16,760,058		16,760,058
Total equity and liabilities	161,630,343		233,630,343		227,630,343
Number of shares in issue (Unit)	650,000,000	150,000,000	800,000,000	-	800,000,000
Net assets per share	0.20		0.26		0.25
Borrowings	12,184		12,184		12,184
Gearing ratio (Times)	< 0.01		< 0.01		< 0.01

GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION *(Cont'd)*

BUTTERFIELD FB BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2026

1. BASIS OF PREPARATION

The applicable criteria in the preparation of the pro forma consolidated statements of financial position is in accordance with Chapter 9, Division I – Part II of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The pro forma consolidated statements of financial position of Butterfield FB Berhad ("Butterfield FB" or "Company") as at 30 April 2026 together with the notes thereon, for which the Board of Directors of the Company is solely responsible, have been prepared for illustration purposes only for the purpose of inclusion in the Prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

The pro forma consolidated statements of financial position has been prepared based on the audited consolidated financial statements of the Company for the financial year ended 30 April 2026 as contained in the Accountants' Report dated 31 July 2026, which were prepared in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and in a manner consistent with the format of financial statements and the accounting policies of Butterfield FB Group, and adjusted for the impacts of the events and transactions as set out in Note 2 to the pro forma consolidated statements of financial position had the events occurred or the transactions been undertaken on 30 April 2026. The pro forma consolidated statements of financial position is not necessarily indicative of the financial position that would have been attained had the Listing actually occurred at the respective dates and such information does not purport to predict the future financial position of Butterfield FB Group.

The auditors' report on the Accountants' Report dated 31 July 2026 used in the preparation of the pro forma consolidated statements of financial position was not subject to any audit qualification.

2. LISTING SCHEME

(i) **Pro Forma I: Public Issue ("IPO")**

Public Issue

The IPO involves a public issue of 150,000,000 new ordinary shares in Butterfield FB at an indicative issue price of RM0.48 per share.

Upon completion of the IPO, the Company's issued number of ordinary shares will increase from 650,000,000 to 800,000,000 ordinary shares.

Offer for Sale

The Offer for Sale comprises an offer for sale of up to 72,000,000 shares by the existing shareholders of the Company ("Selling Shareholders") at an indicative price of RM0.48 per share.

The Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to RM34,560,000 will accrue entirely to the Selling Shareholders.

GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION *(Cont'd)*

BUTTERFIELD FB BERHAD AND ITS SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2026

2. **LISTING SCHEME (CONT'D)**

(ii) **Pro Forma II: Utilisation of Proceeds from IPO**

Gross proceeds from the IPO of RM72,000,000 are expected to be utilised as follows:

Details of utilisation of proceeds	Estimated timeframe for utilisation from the date of the Listing	RM	%
Expansion of Bukit Minyak Premises [(1)]	within 24 months	15,200,000	21.1
- Construction costs		12,500,000	17.4
- Acquisition of machinery and equipment		2,700,000	3.7
Working capital	within 12 months	37,800,000	52.5
Expansion through strategic investments, mergers and/or acquisition opportunities	within 24 months	13,000,000	18.1
Estimated listing expenses [(2)]	within 1 month	6,000,000	8.3
Total		**72,000,000**	**100.0**

[(1)] As at the latest practicable date, the Company has yet to enter into any contractual binding arrangements or to issue any purchase orders in relation to the above expansion of Bukit Minyak Premises. Accordingly, the utilisation of proceeds earmarked for the above expansion of Bukit Minyak Premises are not reflected in the pro forma consolidated statements of financial position.

[(2)] If the actual Listing Expenses are higher than the estimated, the deficit will be funded out from portion allocated for working capital. Conversely, if the actual Listing Expenses are lower than the estimated, the excess will be used for working capital purposes.

The Listing Expenses are estimated at RM6,000,000 and will be set off against the share capital by RM2,772,900 and profit or loss by RM3,227,100 respectively.

Out of the total estimated Listing Expenses of RM6,000,000, an amount of RM2,619,990 has been paid and recorded in the prepayments account. It will be charged out from prepayments account accordingly.

GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

(a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.

(b) Save for the Pink Form Allocations as disclosed in Section 4.3.2,

(i) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and

(ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.

(c) Save for the new Shares issued to: (i) shareholders pursuant to the Transfer of Assets, capital injection in October 2024, Acquisition of Butterfield (M), Acquisition of G Brew Marketing and Capitalisation as disclosed in Section 6.2; and (ii) to be issued for the Public Issue as disclosed in Section 4.3.1, no Shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.

(d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.

(e) As at the date of this Prospectus, we do not have any outstanding convertible debt securities.

15.2 SHARE CAPITAL OF OUR SUBSIDIARIES

Details of our share capital are set out in Section 6.1. Details of the share capital of our subsidiaries are set out below.

15.2.1 Butterfield (M)

Butterfield (M)'s share capital as at LPD is RM10,000,000 comprising 10,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
16 April 1994	2	RM2/ Cash	2
27 September 2000	100,000	RM100,000/ Cash	100,002
28 April 2010	399,998	RM399,998/ Cash	500,000
29 December 2011	500,000	RM500,000/ Cash	1,000,000
1 July 2013	500,000	RM500,000/ Cash	1,500,000
30 April 2015	4,500,000	RM4,500,000/ Cash	6,000,000
18 December 2015	3,000,000	RM3,000,000/ Cash	9,000,000

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
31 March 2017	1,000,000	RM1,000,000/ Cash	10,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Butterfield (M). In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.2 G Brew Marketing

G Brew Marketing's share capital as at LPD is RM300,002 comprising 300,002 ordinary shares. The share capital since incorporation is as follows:

Date of allotment	No. of shares allotted	Consideration / Type of issue	Cumulative share capital
			RM
11 July 2016	2	RM2/ Cash	2
2 September 2016	300,000	RM300,000/ Cash	300,002

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in G Brew Marketing. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.3 Golden Chemical FB

Golden Chemical FB's share capital as at LPD is RM7,164,744 comprising 7,164,744 ordinary shares. The share capital since incorporation is as follows:

Date of allotment	No. of shares allotted	Consideration / Type of issue	Cumulative share capital
			RM
4 January 2024	1	RM1/ Cash	1
30 December 2024	7,164,743	7,164,743/ Otherwise than cash	7,164,744

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Golden Chemical FB. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.2.4 Golden Chemical (Thailand)

Golden Chemical (Thailand)'s share capital as at LPD is [(1)]THB4,000,000 comprising 40,000 ordinary shares. The share capital since incorporation is as follows:

Date of allotment	No. of shares allotted	Consideration / Type of issue	Cumulative share capital
			THB
13 November 2014	20,000	[(2)]THB2,000,000/ Cash	[(2)]2,000,000
16 April 2017	20,000	[(2)]THB2,000,000/ Cash	[(1)]4,000,000

Notes:

(1) Equivalent to RM486,676, based on the BNM's closing rate of THB100 = RM12.1669 as at LPD.

(2) Equivalent to RM243,338, based on the BNM's closing rate of THB100 = RM12.1669 as at LPD.

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Golden Chemical (Thailand). In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.5 MJC Global

MJC Global's share capital as at LPD is [(1)]THB1,000,000 comprising 10,000 ordinary shares. The share capital since incorporation is as follows:

Date of allotment	No. of shares allotted	Consideration / Type of issue	Cumulative share capital
			THB
1 July 2020	10,000	[(1)]THB1,000,000/ Cash	[(1)]1,000,000

Note:

(1) Equivalent to RM121,669, based on the BNM's closing rate of THB100 = RM12.1669 as at LPD.

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

15.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.3.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

Article 4.1 – Class of shares

The share capital of the Company is its issued share capital which shall be in Ringgit Malaysia. The shares in the original or any increased capital or any alteration of capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting, return of capital or otherwise.

Article 4.2 – Alteration of share capital

Subject always to the provision of Article 4.1 hereof, the Company shall have the power to increase or reduce the share capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to issue all or any part of the original or any additional capital as fully paid or partly paid shares and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such privileges, terms, conditions or designations in accordance with the regulations for the time being of the Company.

Article 4.3 – Allotment of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the Listing Requirements, the Act and to the conditions, restrictions and limitations as expressed in this Constitution and to the provisions of any resolution of the Company, the Board may issue, allot, grant options over, or otherwise dispose of unissued shares in the Company to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine, provided that:

(i) shares in the Company shall not be issued to transfer a controlling interest in the Company without the prior approval of shareholders in meeting of members;

(ii) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same; and

(iii) every issue of shares, options or other convertible securities (as applicable) to employees and/or the Directors shall be approved by the members in general meeting provided that such approval shall specifically detail the number of shares, options or other convertible securities to be issued to the employees and/or the Directors.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

Article 4.4 – Rights of preference shareholders

Subject to the Act, any other applicable laws and any other requirements of the Securities Commission, any preference shares may with the sanction of an Ordinary Resolution be issued on the terms that they are redeemable and/or convertible or at the option of the Company are liable to be redeemed and/or converted into ordinary shares. The Company shall not issue preference shares ranking in priority over preference shares already issued but may issue preference shares ranking equally therewith. Preference shareholders shall have:

(i) the right to vote at any meeting convened in each of the following circumstances:

  (a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;
  (b) on a proposal to reduce the Company's share capital;
  (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  (d) on a proposal that varies the rights attached to the preference shares;
  (e) on a proposal to wind up the Company; and
  (f) during the winding up of the Company.

(ii) the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited financial statements and attending meetings of the Company.

Article 5.1 – Modification of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than seventy-five per centum (75%) of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of this Constitution relating to general meetings of members shall mutatis mutandis apply so that the necessary quorum shall be 2 persons at least holding or representing by proxy at least 1/3 of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution, the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

Article 5.2 – No alteration of rights by issuance of new shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects pari passu therewith.

Article 13.1 – Power to increase capital

The Company may from time to time, by Ordinary Resolution increase its share capital by the issue of new shares carrying such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions in regard to dividend, return of capital, voting or otherwise as the Company by the resolution authorising such increase directs.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

Article 13.2 – Offer of new shares or securities

Subject to any direction to the contrary that may be given by the Company in a meeting of members, all new shares or other convertible securities of whatever kind, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Constitution.

Article 13.3 – New issue of securities

In accordance with the Listing Requirements, subject to any direction to the contrary that may be given by the Company in a general meeting, all new issues of securities by the Company for which listing is sought shall be made by way of crediting the securities accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with the Listing Requirements. For this purpose, the Company must notify Bursa Depository of the names of the allottees and all such particulars required by Bursa Depository, to enable Bursa Depository to make the appropriate entries in the securities account of such allottee.

Article 14.1 – Power to alter capital

The Company may alter its share capital by passing a special resolution to:

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived;

(b) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived; and

(c) subject to the provisions of the Constitution and the Act, convert and/ or re-convert any class of shares or stocks into any other class of shares or stocks.

Article 14.2 – Power to reduce capital

The shareholders can pass a special resolution to:

(a) reduce in any way the Company's share capital in accordance with Subdivision 4 of Division 1 of Part III of the Act, whether with the confirmation of the Court or a solvency statement; or

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

(b) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 14.3 – Buying back shares

The Company may, subject to it obtaining such approval from the relevant authorities (if required) and to its compliance with the Act, Listing Requirements, Central Depositories Act, Rules and this Constitution (where applicable) and with the sanction of an Ordinary Resolution, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the Act and the relevant guidelines or requirements issued by Bursa Securities and/or any other relevant authority from time to time. The provisions of Articles 14.1 and 14.2 hereof shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Article.

Article 16.12 – Voting rights

Subject to this Constitution and to any rights or restrictions for the time being attached to any shares or classes of shares, at meetings of members or classes of members, each member entitled to vote in respect of any share or shares upon which all calls due to the Company have been paid may vote in person or by proxy or by attorney or by duly authorised representative. Where there is a vote on a show of hands, a shareholder of ordinary or preference shares present at a meeting in person (including, by a representative) or by proxy has 1 vote. Where there is a poll, a shareholder of ordinary or preference shares present in person (including, by a representative) or by proxy has 1 vote for every share which they hold or represent. All of these are subject to any special rights or restrictions which are given to a class of shares or by this Constitution. A proxy or attorney shall be entitled to vote both on a show of hands and on a poll. On a show of hands, any member who is a proxy for another member, and any person who is a proxy for more than 1 member shall have only 1 vote. A person entitled to more than 1 vote need not use all his votes or cast all the votes he uses on a poll in the same way.

Article 34.3 – Dividend

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends are paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividends are paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.3.2 Borrowing and voting power of the Directors

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contract in which they are interested in are as follows:

Article 21.2 – Directors' powers to borrow, mortgage, charge etc

(a) Subject to the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, its subsidiaries or any related party (as defined in Section 7 of the Act). Provided always that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's or any of its subsidiaries' undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

(b) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act in regard to the registration of mortgages and charges therein and otherwise.

(c) If the Directors or any of them shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or any of them so becoming liable as aforesaid from any loss in respect of such liability.

Article 22.5 – Chairman to have a casting vote

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board and PROVIDED ALWAYS that in the case of an equality of votes, the chairperson of the meeting shall have a second or casting vote. However, in the case of an equality of votes, the chairperson of a meeting at which 2 Directors form a quorum and only such a quorum is present at the meeting, or only 2 Directors are competent to vote on the question at issue, shall not have a casting vote.

Article 22.8 – Director's interest in contracts, etc. with other companies

No Director may vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest nor a contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.3.3 Remuneration of Directors

The provisions in our Constitution dealing with remuneration of Directors are as follows:

Article 19.1 – Fees and benefits of Directors

The fees of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a Director shall annually be determined by an Ordinary Resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree PROVIDED ALWAYS that:-

(a) salaries payable to executive Director(s) may not include a commission on or percentage of turnover;

(b) fees payable to non-executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover; and

(c) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 19.2 – Reimbursement of expenses

The Board can repay to a director all expenses properly incurred in attending and returning from members' meetings, Board meetings or Board committee meetings; or any other way in connection with the Company's business.

Article 19.3 – Special duties or services

Subject to Article 19.1, if by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being wiling shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing a special remuneration in addition to his Directors' fees and such special remuneration may be by way of a fixed sum or otherwise as may be arranged.

Article 24.3 – Remuneration of CEO or Managing Director

The Chief Executive Officer or Managing Director shall, subject to the terms of any agreement entered into any particular case may be, receive such remuneration whether by way of salary or otherwise but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.3.4 Transfer of Securities

The provisions in our Constitution dealing with transfer of shares as follows:

Article 9.1 – Transfer of listed securities

Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any listed security or class of listed security of the Company, shall be by way of book entry by Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities which have been deposited with Bursa Depository by the Company.

15.4 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFITS

The relevant governmental laws, decrees, regulations, legislations and/ or other requirements in Thailand in relation to the repatriation of capital and the remittance of profit by or to our Group are set out below.

(a) Exchange controls

Under the laws of Thailand, Golden Chemical (Thailand) may repatriate capital and/ or remit profits to BFB, by way of:

(i) capital reduction where Golden Chemical (Thailand) may reduce its capital by reducing the par value of each share or by reducing the number of its shares by way of a special resolution passed at a shareholders' meeting. However, the capital of Golden Chemical (Thailand) cannot be reduced to below 25.0% of its total capital per time;

(ii) distribution of dividend where dividends distributed by Golden Chemical (Thailand) must be made from its profits in proportion to its paid-up share capital of each share by way of resolution of either a board of directors' meeting only for interim dividend or a shareholders' meeting (as detailed in Section 15.4(b)); and

(iii) distribution of capital or benefits pursuant to a winding-up procedure where the remaining capital of Golden Chemical (Thailand) can be returned to its shareholders, including BFB, based on their shareholding proportion upon its liquidation but only if Golden Chemical (Thailand) has sufficient assets or funds to pay all its debts or perform all its obligations.

In addition, under the Thailand Foreign Exchange Regulation, dividends or proceeds from sales (including capital gains from the transfer of shares), or capital reduction after payment of the applicable Thai taxes, if any, can be remitted out of Thailand in foreign currencies without any requirement for prior approval from the Bank of Thailand. However, for each payment offshore, if the amount is USD200,000 or more in the relevant currency, a request form must be submitted to an authorised agent (commercial bank) together with relevant supporting documents to support the remittance.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

(b) Dividend distribution

Any declaration of dividends must be approved by a resolution passed at an annual general meeting or an extraordinary general meeting of the shareholders of Golden Chemical (Thailand). An interim dividend payment can be declared from time to time if the board of directors of Golden Chemical (Thailand) resolves that it has profits justified to be distributed to its shareholders, including BFB, in proportion to their shareholding proportion. When distributing dividends, Golden Chemical (Thailand) must reserve funds of at least 5.0% of its profits until its reserve funds reaches 10.0% of its registered capital.

(c) Withholding tax

The Thailand Revenue Code provides that assessable income includes any distribution made by a company on the reduction of its capital to its shareholders to the extent the company possesses accumulated profits and any reserves set aside out of the profits.

Any capital reduction amount of Golden Chemical (Thailand) payable to BFB is a taxable/ assessable income of BFB but only for the amount not exceeding the total amount of the profits and the reserve funds of Golden Chemical (Thailand) and it is subject to the withholding tax at the rate of 15.0%. The capital reduction amount that exceeds the total amount of the profits and the reserve funds of Golden Chemical (Thailand) is not a taxable/ assessable income.

The dividend of Golden Chemical (Thailand) payable to BFB is a taxable/ assessable income and it is subject to withholding tax at the rate of 10.0%.

When Golden Chemical (Thailand) repatriates funds to BFB, Golden Chemical (Thailand) is required to withhold applicable withholding taxes mentioned above from the funds payable and remit the taxes withheld to the Thai Revenue Department.

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15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.5 GENERAL INFORMATION

(a) Save for the dividends paid to our shareholders in FYE 2026 and remuneration of our Directors and key senior management as disclosed in Sections 12.16, 5.2.4 and 5.3.5 respectively, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.

(b) Save for the related party transactions as disclosed in Section 10.1, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

(c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.

(d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

(e) Other than Thailand, our Group has not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group. Please refer to Section 15.4 above for further information.

15.6 CONSENTS

(a) The written consents of our Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;

(b) The written consents of our Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma consolidated financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and

(c) The written consent of our IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.7 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(a) Constitution;

(b) Audited financial statements of:

  (i) BFB for FYE 2026;

  (ii) Butterfield (M), Golden Chemical (Thailand) and MJC Global for FYE 2023 to 2026;

  (iii) G Brew Marketing for financial year ended 30 June 2022 to 2023, 10-month financial period ended 30 April 2024 and FYE 2025 to 2026; and

  (iv) Golden Chemical FB since date of incorporation (i.e. 4 January 2024) up to 30 April 2025 and FYE 2026;

(c) Accountants' Report as set out in Section 13;

(d) Reporting Accountants' Report relating to our pro forma consolidated financial information as set out in Section 14;

(e) IMR Report as set out in Section 8;

(f) Material contracts as set out in Section 6.5; and

(g) Letters of consent as set out in Section 15.6.

15.8 RESPONSIBILITY STATEMENTS

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

M&A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 18 AUGUST 2026

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 2 SEPTEMBER 2026

In the event there is any change to the date or time for closing, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia newspaper in Malaysia, and make an announcement on Bursa Securities' website.

Late applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors		Application Method
Applications by our eligible Directors, employees and persons who have contributed to the success of our Group		Pink Application Form only
Applications by the Malaysian Public:		
(a)	Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b)	Non-Individuals	White Application Form only

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.2.2 Placement

Types of Application	Application Method
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Eligible Persons, selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. **The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Application**.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(a) You must be one of the following:

(i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(ii) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/ trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

(iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(c) You must submit Applications by using only one of the following methods:

(i) White Application Form; or

(ii) Electronic Share Application; or

(iii) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO Shares. Applicants must follow the notes and instructions on the said documents and where relevant, in this Prospectus.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.48 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 834"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

So as to arrive not later than 5.00 p.m. on 2 September 2026 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, iFast Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn Bhd. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(a) reject Applications which:

(i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(ii) are illegible, incomplete or inaccurate; or

(iii) are accompanied by an improperly drawn up or improper form of remittance; or

(b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(c) bank in all Application monies (including those from unsuccessful/ partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/ UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at https://srmy.vistra.com within one market day after the balloting date.

Under the Listing Requirements at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum 200 public shareholders, each holding not less than 100 Shares each upon our admission to the ACE Market. We expect to meet the said requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing. In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not paid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/ or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL/ PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/ partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

(a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/ registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).

(d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or by issuance of banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution or Participating Securities Firm (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(b) You may check your account on the 5th Market Day from the balloting date.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(a) Our IPO Shares allotted to you will be credited into your CDS Account.

(b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution or Participating Securities Firm and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at https://srmy.vistra.com, **1 Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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