Butterfield FB Berhad (BFIELD)

Brewing the Next Leg of Growth

- **Butterfield FB Berhad is a homegrown B2B beverage ingredient manufacturer specialising in coffee and tea extract powder blends, principally involved in the formulation, blending and packing of customised beverage ingredients for F&B manufacturers and other business end users, complemented by its food ingredient and instant beverage premix trading business, growing export footprint across Asia and the Middle East, and expanded manufacturing capacity comprising two 4,095 MT coffee and tea extract lines and a 312 MT matcha line.**
- **We project core PATMI to expand at a three-year CAGR of 16.3% to reach RM33.4m, RM38.4m and RM47.8m respectively. This growth is underpinned by (i) higher sales volumes from the ramp up of newly added manufacturing capacity, (ii) growth from both existing and new customers alongside overseas expansion, and (iii) operating leverage as utilisation improves across its enlarged production footprint, with the planned 4th manufacturing line expected to provide an additional 4,095 MT of annual capacity over the longer term.**
- **We assign a fair value of RM0.63 per share for BFIELD, indicating a 31.3% upside from the IPO price of RM0.48. Our valuation is derived by ascribing a target P/E multiple of 14.0x to mid-FY28f EPS of 4.49 sen.**

Investment highlights

Specialised B2B beverage ingredient manufacturer with sticky customer relationships. BFB is a specialised B2B beverage ingredient manufacturer focused on coffee and tea extract powder blends, positioned to benefit from rising demand for convenient and customised beverage solutions. Its portfolio spans 98 coffee and 53 tea formulations, demonstrating broad formulation capabilities across customer applications. Beyond manufacturing, BFB offers 315 food ingredient SKUs across Malaysia, Cambodia, China and Thailand, covering dairy and non-dairy products, food additives, cocoa, coffee and tea related powders, and plant derived products, alongside 55 instant beverage premix SKUs across Malaysia and Thailand, including instant coffee, tea and cocoa premixes. The Group has also built long standing customer relationships, with Aik Cheong Group contributing 16.6% of FY26 revenue after 17 years of engagement. We believe its formulation depth, product breadth and established customer relationships underpin customer stickiness, as switching suppliers would require replicating customers' formulations, taste profiles, consistency and quality specifications.

Fig #1 Butterfield's Customer Relationships

Source: Butterfield FB Berhad

IPO Note – Not rated

Research Team
research@msec.com.my
(603) 2201 2100

Non-Rated

Share price	**RM0.48**
Target price	**RM0.63**
Previous TP	**-**
Capital upside	31.3%
Dividend return	-
Total return	31.3%

Company profile

Butterfield FB Berhad manufactures coffee extract powder blends and tea extract powder blends, supplying instant beverage premix manufacturers, F&B companies, and confectionery makers across Malaysia and 8 international markets. The Group also trades food ingredients and instant beverage premixes. Founded in 1983 by the Yeap family as Golden Chemical, the Group operates from its Bukit Minyak Premises.

Stock information

Bursa Code	0470
Bloomberg ticker	BFIELD MK
Listing market	ACE
Share issued (m)	800.0
Market Cap (m)	384.0
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders	**%**
Yeap Kim Siew	32.8
Yeap Chin Loon	31.1
Malaysian Public	27.3

Earnings snapshot

FYE (Apr)	FY26	FY27f	FY28f
PATMI (m)	30.4	33.4	38.4
EPS (sen)	3.8	4.2	4.8
P/E (x)	12.6	11.5	10.0

Timetable of IPO

Opening of application	18 August
Closing of application	2 September
Balloting of application	4 September
Allotment of the IPO shares	11 September
Listing on the ACE market	15 September

Capacity expansion offers a clear runway for volume growth. BFB currently operates two coffee and tea blending lines with combined annual capacity of 8,190 MT, alongside a 312 MT dedicated matcha line. The second coffee and tea line commenced operations in January 2026, while the matcha line started in February 2026. Our forecasts assume total manufacturing capacity rises from 5,538 MT in FY26 to 8,502 MT in FY27 and FY28, before increasing to 10,891 MT in FY29 on a prorated contribution from the fourth line and reaching 12,597 MT upon full commissioning. The expansion is supported by RM15.2m of IPO proceeds earmarked for the Bukit Minyak Premises, comprising RM12.5m for construction and RM2.7m for machinery and equipment, with the enlarged facility able to accommodate the fourth manufacturing line. We see utilisation and sales execution as the key variables determining how quickly this capacity translates into earnings, rather than capacity alone.

Matcha adds a new avenue for premiumisation and customer wallet share. BFB commissioned its dedicated matcha manufacturing line in February 2026, with annual capacity of 312 MT and automated packing capabilities. Management has identified expanding tea extract powder blend sales, particularly matcha formulations, as a key growth strategy over the next 24 months. We see matcha as strategically relevant beyond its initial revenue contribution, providing BFB with an avenue to participate in premium tea applications and deepen wallet share among existing F&B customers while diversifying its historically coffee weighted manufacturing mix.

Margin expansion and operating leverage support earnings growth. BFB's GP margin expanded from 18.8% in FY23 to 21.7% in FY26, while PAT margin improved from 9.7% to 12.9% over the same period. FY26 also saw manufacturing GP margin improve to 19.9% from 17.7%, alongside 15.9% growth in manufacturing revenue to RM212.6m, indicating that margin expansion is no longer solely dependent on the higher margin trading segment. We expect further operating leverage as the newly installed capacity matures, with our earnings growth thesis underpinned by a combination of higher sales volumes, better capacity utilisation and a progressively richer product mix.

Strategic M&A provides an additional growth option beyond organic expansion. BFB has allocated RM13.0m, equivalent to 18.1% of gross IPO proceeds, towards strategic investments, mergers and acquisitions that complement its existing operations, diversify its product offering and strengthen its competitive position. Management has specifically highlighted potential acquisitions of instant beverage premix brand owners and manufacturers, which could enhance product capabilities, expand premix capacity and improve value chain integration. We view this as a potential second leg of growth beyond the current manufacturing expansion, although we have not assumed meaningful M&A contribution in our base case given the absence of an identified target. Successful execution would therefore provide a potential re-rating catalyst for BFB.

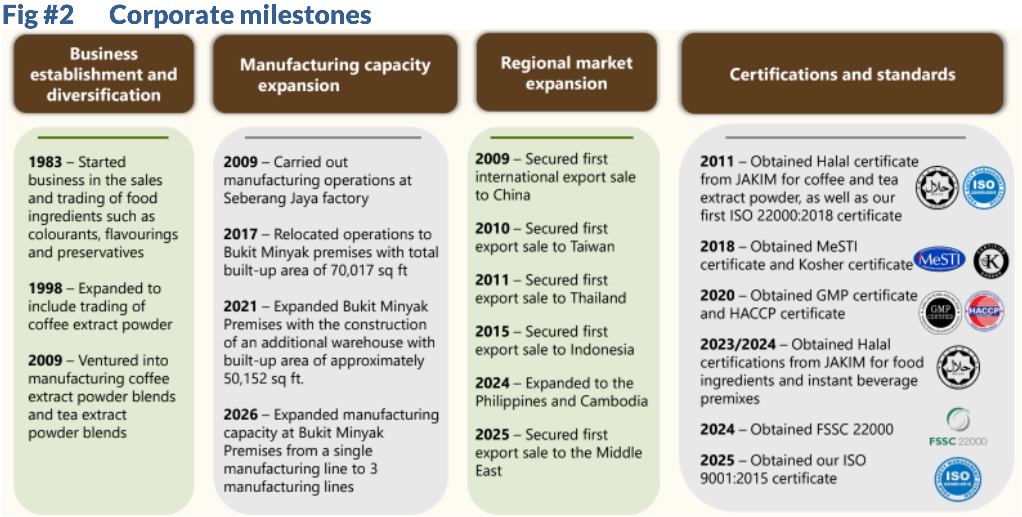
Company background

Butterfield FB Berhad ("BFB", "BFIELD", "the Group" or "the Company") is an established Malaysian food ingredient formulator, manufacturer, and business to business flavor solutions provider. While incorporated in April 2021 as an investment holding vehicle for its ACE Market listing, the Group traces its operating history to 1983 through Golden Chemical, which began as a distributor of food additives before venturing into bulk coffee extract trading in 1998. The business executed a pivotal strategic transformation in 2009 by establishing Butterfield (M) Sdn Bhd, evolving from a trading intermediary into an integrated formulator and manufacturer of customized coffee and tea extract powder blends under its house brand, *Butterfield*. Crucially, BFB retains full ownership over its client specific formulations by maintaining confidentiality, which we view embedding high switching costs that drive recurring order streams from beverage brand owners and food manufacturers.

To capture rising regional demand across Southeast Asia, BFB expanded into Thailand by establishing Golden Chemical (Thailand) Co., Ltd in 2014 and MJC Global Co., Ltd in 2020 to serve as distribution and market development hubs across Thailand. Ahead of its public listing, the Group completed a comprehensive Pre-IPO Reorganisation between 2024 and 2025 to streamline operations, isolate non-core holdings, and unify operating assets. This involved incorporating Golden Chemical FB Sdn Bhd to absorb the operational assets and inventory of Golden Chemical, acquiring 100% equity stakes in Butterfield (M) and G Brew Marketing Sdn Bhd, and securing majority board control over its Thai operating subsidiaries.

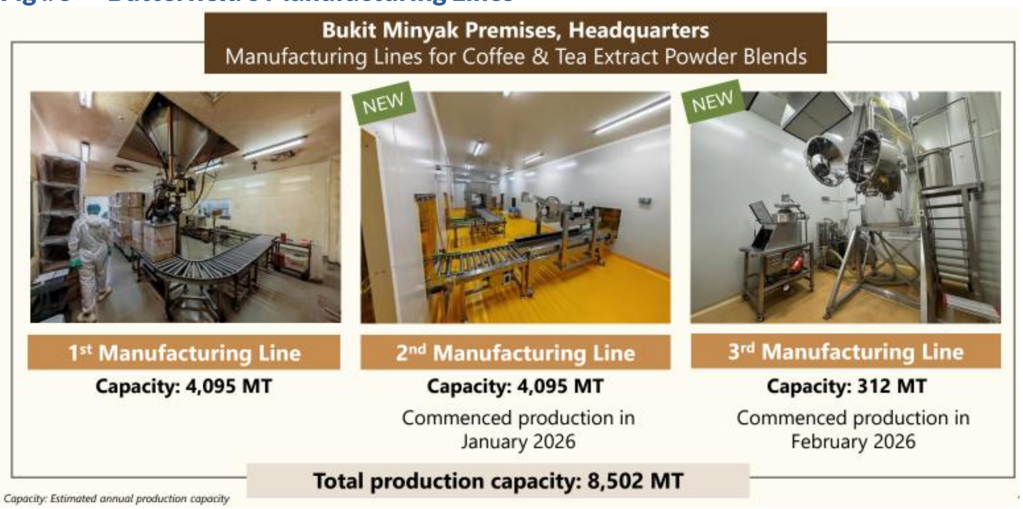
Following this corporate consolidation, BFB operates as an integrated group anchored by its primary 120,169 sq ft manufacturing hub in Bukit Minyak, Penang. With unified processing capabilities and established regional distribution channels, the Group has built a scalable platform across Malaysia and key export markets as it enters its next growth phase on the ACE Market.

Fig #2 Corporate milestones



Source: Butterfield FB Berhad, M+ Research

Fig #3 Butterfield's Manufacturing Lines



Source: Butterfield FB Berhad

Industry overview

Malaysia's coffee and tea extract powder industry is positioned within the broader food ingredients and processed beverage ecosystem, benefiting from rising demand for convenience, product variety and customised beverage formulations. According to the IMR report by Smith Zander, the Malaysian coffee and tea extract powder market grew from RM1.17bn in 2022 to RM1.81bn in 2025, representing a 15.7% CAGR. Growth is underpinned by the increasing adoption of instant and ready to drink beverages, alongside broader food industry expansion and greater outsourcing of specialised ingredient solutions by downstream manufacturers.

Looking ahead, we believe the industry should remain supported by evolving consumer preferences towards convenience, premiumisation and functional beverages. Malaysia's established coffee drinking culture and growing demand for differentiated flavours, healthier formulations and speciality beverages such as matcha should broaden the addressable market. Meanwhile, Malaysia's position as a regional food manufacturing hub, supported by an established halal ecosystem and export connectivity, should provide additional opportunities for local ingredient manufacturers to serve both domestic and overseas customers. MIDA also highlighted food processing and advanced food ingredients as growth areas, with RM6.1bn of approved investments in Malaysia's food processing sector in 2024.

Nevertheless, industry growth is not without challenges. Raw material price volatility, particularly for coffee, tea and other agricultural inputs, remains a key margin risk, while intense competition could constrain the ability of manufacturers to fully pass through cost increases. Industry participants also face increasing requirements for product consistency, quality, innovation and regulatory compliance as customers demand more customised formulations. Despite these headwinds, we believe the structural shift towards convenience, premium and functional beverage products, together with Malaysia's expanding food manufacturing and export ecosystem, should underpin healthy medium-term growth for the coffee and tea extract powder industry.

Substantial Shareholders and Key Management

1. Yeap Kim Siew – Promoter, Substantial Shareholder & Non-Independent Non-Executive Deputy Chairman

The primary architect of the Group's growth, Yeap founded Golden Chemical in 1983, expanding its scope into coffee extract powder trading in 1998. With over 40 years of experience across the F&B supply chain, he directs BFB's overarching strategic vision. Post-IPO, he holds a direct equity interest of 23.8% and a deemed interest of 9.0%.

2. Lee Mong Khai – Promoter, Substantial Shareholder & Executive Director / Chief Executive Officer

Joining Golden Chemical in 2003, Lee brings over two decades of operational and engineering expertise. He spearheaded BFB's manufacturing pivot in 2009 and led its strategic regional expansion into Thailand via Golden Chemical (Thailand). Post-IPO, he holds a direct interest of 4.9% and a deemed interest of 3.4%.

3. Yeap Chin Loon – Promoter, Substantial Shareholder & Executive Director

Joining the business in 1999, Yeap manages the Group's overall sales, marketing, and purchasing operations, ensuring procurement efficiency and raw material sourcing stability. Post-IPO, he holds a 31.1% direct equity interest.

4. Lee Chan Hua – Promoter, Substantial Shareholder & Executive Director

A Fellow Member of ACCA and Chartered Accountant with MIA, Lee joined in 2005 after early career roles at PwC and Lion Diversified. He manages corporate finance, accounting, human resources, and administrative functions. Post-IPO, he retains a 3.4% direct and 3.4% deemed equity stake.

5. Dato' Seri Lee Kah Choon – Independent Non-Executive Chairman

A prominent figure in corporate governance and state development advisory (formerly with Invest-in-Penang and PDC), Dato' Seri Lee brings strong board leadership. He concurrently serves on the boards of several public listed entities, including Aemulus Holdings, L&P Global, and Nationgate Holdings.

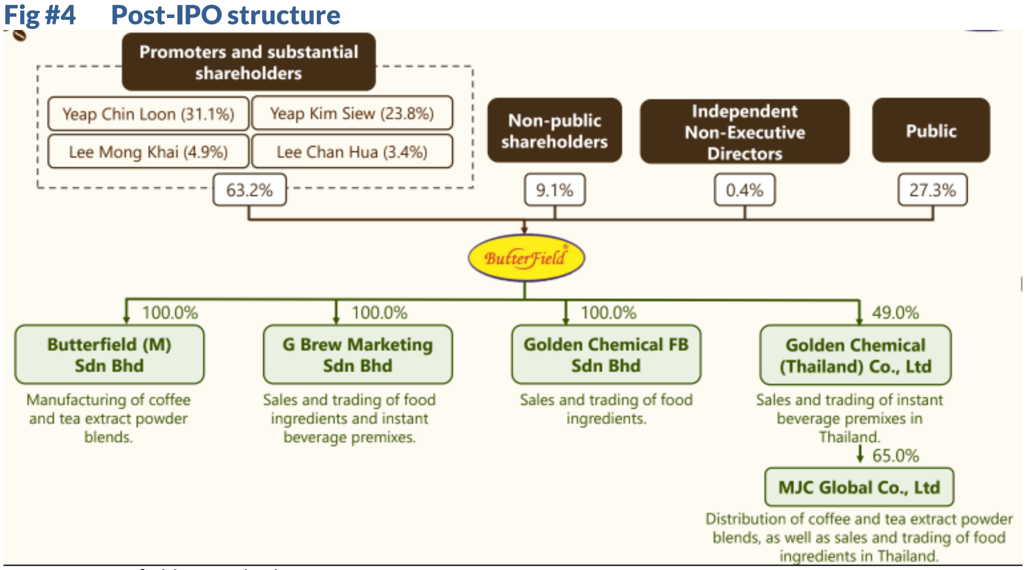
6. Lee Sin Nan – Chief Operating Officer

With BFB since 2014, Lee oversees factory operations, warehouse activities, and rigorous QA/QC execution at the main Bukit Minyak facility.

7. Tan Chee Khoo – Chief Financial Officer

A Chartered Accountant (MIA) with prior senior audit experience at Grant Thornton, Tan joined in 2012 and manages group financial planning, accounting controls, and reporting.

Fig #4 Post-IPO structure



Source: Butterfield FB Berhad

Fig #5 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Expansion of Bukit Minyak Premises	15.2	21.1	Within 24 months
- Construction costs	*12.5*	*17.4*	
- Acquisition of machinery and equipment	*2.7*	*3.8*	
Working capital	37.8	52.5	Within 12 months
Strategic investments, mergers and acquisition opportunities	13.0	18.1	Within 24 months
Estimated listing expenses	6.0	8.3	Within 1 month
Total	72.0	100.0	

Source: Butterfield FB Berhad

Business overview

Manufacturing Segment (78.1% of FY26 Revenue)

BFB formulates and blends customized coffee and tea extract powders under its proprietary house brand, *Butterfield*. Crucially, BFB retains strict intellectual property

(IP) ownership over its customer-specific formulations, generating high customer stickiness and repeat orders. Its customer base includes brand owners of instant beverage premixes, ready-to-drink (RTD) beverage manufacturers, functional F&B producers, and confectionery makers.

Sales & Trading Segment (21.9% of FY26 Revenue)
Following a strategic internal consolidation on 1st May 2024 (Transfer of Assets from Golden Chemical), BFB expanded its sales and trading segment. The Group distributes supplier-branded food ingredients such as non-dairy creamers, food flavorings, colorants, and stabilizers, alongside custom-branded instant beverage premixes for brand owners in Thailand and unbranded premixes in Malaysia.

Fig #6 Principal business activities and services provided

	Our Group		
Principal activities	Manufacturing of coffee extract powder blends and tea extract powder blends	Sales and trading of food ingredients and instant beverage premixes	
Products offered	• Coffee extract powder blends under house brand, 'Butterfield' • Tea extract powder blends under house brand, 'Butterfield'	Food ingredients under suppliers' brands	Instant beverage premixes that are unbranded in Malaysia and under customers' own brands in Thailand(1)
Distribution channels	Malaysia and overseas countries (save for Indonesia and the Philippines) • Business end-users - Instant beverage premix manufacturers - Ready-to-drink beverage manufacturers - Functional F&B manufacturers - Confectionery manufacturers Indonesia and the Philippines • Distributors	Malaysia, Cambodia and Thailand • Business end-users - F&B manufacturers(2) - Cafes and restaurants • Wholesalers	Malaysia • Business end-users - Cafes and restaurants Thailand • Instant beverage premix brand owners
Markets	Malaysia, Thailand, Indonesia, Taiwan, the Philippines, Cambodia, Papua New Guinea and China	Malaysia, Cambodia and Thailand	Malaysia and Thailand

Source: Butterfield FB Berhad

Fig #7 SWOT analysis of BFIELD

Strength	**Weakness**
• Retains full trade secret ownership over 151 customized formulations (98 coffee, 53 tea blends), which we view contribute to high switching costs and customer stickiness. • **Solid earnings expansion** with PATMI reaching RM30.4m in FY26 (FY25: RM26.8m), as net profit margin widened from 10.9% to 11.2%. • Fully accredited under JAKIM Halal, HACCP, GMP, MeSTI, and active FDA Thailand import clearances, securing access to key regional markets. • Healthy balance sheet backed by RM19.1m in cash and bank balances with minimal bank borrowings.	• Revenue concentration risk due to significant reliance on major key accounts, including Aik Cheong Group. • Foreign exchange transaction exposure between USD-denominated raw material purchases and local billing currencies. • Working capital intensive growth model, with elevated inventory and trade receivables potentially weighing on cash conversion.
Opportunity	**Threat**
• Facility expansion and setup of a 4th manufacturing line will scale total annual production capacity from 8,502 MT to 12,597 MT.	• Vulnerability to global raw material commodity price surges, as seen in coffee extract powder prices rising

• The Matcha line expansion, following the commencement of BFB's dedicated line in Feb 2026, offers scope to capture premium tea demand and deepen customer wallet share. • Regional market expansion across emerging beverage markets in Thailand, Indonesia, and the Philippines.	from USD3.77/kg in FY24 to USD5.99/kg in FY25. • Risk of food safety contamination, batch recalls, or potential suspension of strict Halal and MOH certifications. • Centralized single-site operational risk, as all primary blending and processing facilities are located at Bukit Minyak, Penang.

Source: M+ Research

Financials

Revenue and income highlights. BFB posted revenue of RM272.1m in FY26, up 10.9% YoY from RM245.3m in FY25, driven primarily by continued growth in its core manufacturing business. Manufacturing revenue increased 15.9% YoY to RM212.6m, raising its contribution to 78.1% from 74.8%, as coffee extract powder blend volumes rose 2.7% to 4.04m kg while ASP increased 11.2%. Meanwhile, sales and trading revenue declined 3.9% to RM59.5m, reflecting lower food ingredient and instant beverage premix sales. Malaysia remained the largest market at RM155.0m, while Thailand grew 22.3% to RM103.5m, together accounting for 95.0% of Group revenue. PAT rose 15.2% to RM35.0m, with PAT margin improving to 12.9% from 12.4%, while GP margin expanded to 21.7% from 20.5%. We view the FY26 earnings mix more favourably, as growth was increasingly driven by the core manufacturing franchise while the trading segment normalised following the step-up in contribution after the Transfer of Assets in May 2024.

Balance sheet. Total current assets increased to RM140.7m as at FY26, while the current ratio remained robust at 8.9x despite moderating from 13.7x in FY25. Inventories rose to RM50.7m, with inventory turnover extending to 87 days from 62 days, as BFB continued building coffee extract powder stocks ahead of anticipated FY27 demand. Trade receivables also increased 18.6% to RM65.6m, primarily due to slower collections from two major Thailand customers and a major local customer. However, trade payables increased materially to RM11.0m from RM3.0m, partly offsetting the working capital build. Borrowings remained negligible at RM12k, while cash stood at RM19.1m following FY26 dividend payments. The balance sheet remains structurally strong, but the lengthening inventory cycle and slower receivables collection warrant monitoring as BFB continues to scale.

Cash flow. Cash conversion improved materially in FY26, with operating cash flow turning positive at RM25.6m against RM5.9m of outflow in FY25, while operating profit before working capital changes increased 16.5% to RM47.5m. The improvement was supported by higher trade payables of RM8.5m, although receivables still absorbed RM14.4m and inventories a further RM3.5m as the Group continued to stock up for FY27 demand. Investing cash outflow increased to RM2.2m, primarily reflecting RM2.2m of production machinery additions, while financing cash flow was negative RM30.2m due to RM30.0m of dividends. The return to positive operating cash flow is encouraging, although cash conversion remains below underlying earnings generation, making working capital discipline a key determinant of BFB's ability to self-fund its next phase of expansion.

Earnings forecasts. Looking ahead, we forecast core PATMI to expand at a three-year CAGR of 16.3%, reaching RM33.4m, RM38.4m and RM47.8m over the next three years. Growth is underpinned by (i) BFIELD's position as a specialised B2B beverage ingredient manufacturer, supported by its (ii) broad formulation capabilities and (iii) sticky customer relationships, alongside the (iv) progressive ramp up of its expanded manufacturing capacity and (v) increasing demand from both existing and new customers, including opportunities across overseas markets. We expect earnings growth to be driven primarily by higher sales volumes and improving capacity utilisation, with operating leverage providing additional margin support as the enlarged production footprint is progressively absorbed

Fig #8 Financial Highlights

FYE Apr (RM m)	FY25	FY26	FY27f	FY28f	FY29f
Revenue	245.3	272.1	300.6	346.1	430.0
EBITDA	40.8	47.2	51.9	59.7	74.1
EBIT	39.4	45.7	50.2	57.7	72.0
PBT	39.7	46.1	50.7	58.3	72.5
PAT	30.4	35.0	38.6	44.3	55.1
PATMI – Core	26.8	30.4	33.4	38.4	47.8
PATMI – Reported	26.8	30.4	33.4	38.4	47.8
% change YoY – Core PATMI	152%	13%	10%	15%	24%
Core EPS (sen)	3.4	3.8	4.2	4.8	6.0
P/E (x)	14.3	12.6	11.5	10.0	8.0
EV/EBITDA (x)	9.0	7.8	7.0	6.1	4.9
DPS (sen)	-	3.8	-	-	-
Yield (%)	0%	8%	0%	0%	0%
BVPS (RM/share)	0.2	0.2	0.3	0.3	0.4
P/B (x)	2.9	2.9	1.7	1.4	1.2
ROE (%)	27%	23%	18%	15%	16%
Net Gearing (x)	CASH	CASH	CASH	CASH	CASH

M+Global Research

Valuations

We value BFIELD at RM0.63 per share, implying 31.3% upside from its IPO price of RM0.48. Our fair value is derived by applying a target P/E multiple of 14.0x to our mid-FY28F EPS of 4.49 sen, in line with the 14.0x average forward P/E of our selected peers. We believe this multiple is justified by BFIELD's superior profitability, with an ROE of 23.0% and a net profit margin of 11.2%, compared with peer averages of 10.1% and 4.6%, respectively. This is further supported by our forecast 16.3% three-year core PATMI CAGR, underpinned by higher sales volumes, the progressive utilisation of its expanded manufacturing capacity and operating leverage. Overall, we believe BFIELD's combination of stronger profitability and capacity-led earnings growth supports a valuation in line with its peers' forward P/E, underpinning our RM0.63 fair value.

Fig #9 Peers comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
Butterfield FB Berhad	**Ace**	**Apr**	**0.48**	**384.0**	***12.6**	****10.0**	***23.0**	***11.2**
Guan Chong Bhd	MAIN	Dec	1.26	3,453.1	13.5	10.5	11.3	1.5
Power Root Bhd	MAIN	Dec	1.10	451.9	28.3	17.5	5.8	4.9
Three-A Resources BHD	MAIN	Dec	0.72	347.5	7.9	n/a	8.8	8.3
Orgabio Holdings Bhd	ACE	Jun	0.30	74.4	8.1	n/a	14.5	3.5
Avg ex-Butterfield FB Berhad				**1,081.7**	**14.4**	**14.0**	**10.1**	**4.6**

*Source: Bloomberg, M+ Research (*FY26, **FY28f)*

Investment risks

Customer Concentration Risk. BFB relies significantly on its major customer, Aik Cheong Group. Any material reduction in orders or operational disruption at Aik Cheong could adversely affect BFB's financial performance.

Supply Chain Disruptions & Commodity Costs. BFB relies on global third-party suppliers (e.g., Supplier S1 in the Netherlands and Supplier S2 in Vietnam) for coffee and tea extracts. Geopolitical disruptions, shipping delays, or global commodity price spikes could impact production continuity and profitability.

Food Safety and Quality Contamination. Operating in the F&B manufacturing value chain exposes BFB to potential microbial contamination or foreign particle risks. Quality breaches could trigger product recalls, financial liability, or temporary operational shutdowns by health authorities.

Regulatory and Halal Certification Dependence. BFB's market access hinges on maintaining active JAKIM Halal certifications, MeSTI, HACCP, and Thai FDA licenses. Non-compliance or failure to renew these permits could lead to business interruptions.

Foreign Exchange Risk. BFB is exposed to foreign exchange fluctuations as a significant portion of its sales and purchases are denominated in foreign currencies, particularly USD and THB. Any adverse movements in exchange rates could increase input costs, reduce the value of overseas sales, and adversely affect BFB's profitability.

Environmental, Social and Governance (ESG) Practices

Environmental:

- **Industrial Waste & Environmental Compliance.** BFB's processing activities at its primary Bukit Minyak facility adhere strictly to the Environmental Quality Act 1974. Non-hazardous processing residue and organic solid waste generated during raw material handling are systematically collected and disposed of through licensed environmental contractors to prevent soil or water contamination.
- **Closed-Loop Powder Handling & Airborne Particulate Control.** To mitigate airborne dust emissions during dry powder blending, BFB utilizes automated bag dumping stations, vibrating sifters, and integrated dust collection systems. This closed-loop handling process maintains workplace air quality, optimizes raw material yield, and limits ingredient loss during batch processing.
- **Energy Management & Packaging Sustainability.** The Group actively tracks energy consumption across its blending and packaging lines. Energy-saving measures—including the installation of LED lighting systems across manufacturing and warehouse zones and scheduled preventive maintenance on electric motors—help control peak electricity loads. In addition, bulk paper cartons, fiber drums, and polyethylene bags from raw material unboxing are sorted and transferred to licensed recyclers.

Social:

- **Product Integrity as a Core Value Proposition.** Operating within the human consumption supply chain, BFB primary social responsibility centers on uncompromising food safety and product integrity. The Group enforces strict quality control certified by recognized bodies, maintaining HACCP, GMP, and MeSTI accreditations from Malaysia Ministry of Health. Valid JAKIM Halal certifications across its manufactured extract powders and traded food ingredients secure key access to Muslim majority markets in ASEAN and the Middle East. Furthermore, active FDA Thailand import licenses satisfy cross border sanitary standards, reinforcing BFB standing as a fully compliant upstream partner for regional brand owners.

- **Workforce Hygiene & Health Protection.** In accordance with the Food Hygiene Regulations 2009, 100% of BFB's food-handling workforce undergoes mandatory accredited food handler training, annual medical screening, and typhoid vaccinations prior to floor deployment. Processing lines feature magnetic separation and inline metal detection to ensure products remain free from metallic contaminants.
- **Human Capital & Occupational Safety.** BFB prioritizes workplace safety under the Occupational Safety and Health Act 1994 (OSHA), maintaining an active Safety and Health Committee. The Group provides continuous technical upskilling in flavor profiling, automated packaging execution, and quality control, while upholding non-discriminatory employment practices across its Malaysian and Thai operating subsidiaries.

Governance:

- **Independent Board Oversight.** BFB maintains a balanced governance structure where 50% of the Board (4 out of 8 seats) comprises Independent Non-Executive Directors. The Board is led by an Independent Non-Executive Chairman, Dato' Seri Lee Kah Choon, ensuring a clear division of responsibility between Board oversight and executive management (headed by CEO Lee Mong Khai).
- **Gender Diversity.** Demonstrating alignment with the Malaysian Code on Corporate Governance (MCCG) recommendations, BFB features strong female board representation at 37.5% (3 out of 8 Directors)—namely Dato' Faiza Binti Zulkifli, Koay San San (ARMC Chairperson), and Tan Soo Mooi (Nomination Committee Chairperson).
- **Risk Management and Internal Control.** The Audit and Risk Management Committee assists the Board in overseeing financial reporting, audit, risk management and internal control matters, supporting the Group's overall governance framework.
- **Anti-Corruption & Regulatory Policies.** The Group enforces a formal internal control framework, including an Anti-Bribery and Corruption Policy (aligned with Section 17A of the MACC Act), a Whistleblowing Policy, a Code of Conduct and Ethics, a Fit and Proper Policy, and a Conflict of Interest Policy.

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Stock recommendation guide

BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned