

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF MYMBN BERHAD (“MYMBN” OR “COMPANY”) DATED 30 JUNE 2023 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, Mercury Securities Sdn Bhd (“**Mercury Securities**”), or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, Mercury Securities and MYMBN take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 30 June 2023 and will close at 5.00 p.m. on 10 July 2023. In the event there is any change to the timetable, the Company will make an announcement on the Website and advertise the notice of the change in widely circulated daily English and Bahasa Malaysia newspaper within Malaysia.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



MYMBN BERHAD

Registration No. 202201011844 (1457541-U)
(Incorporated in Malaysia)



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MYMBN BERHAD



PROSPECTUS

PROSPECTUS



MYMBN BERHAD

Registration No. 202201011844 (1457541-U)
(Incorporated in Malaysia)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF MYMBN BERHAD ("MYMBN") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING A PUBLIC ISSUE OF 98,000,000 NEW ORDINARY SHARES IN MYMBN ("SHARES") IN THE FOLLOWING MANNER:

- 19,300,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 18,678,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF MYMBN AND ITS SUBSIDIARIES; AND
- 60,022,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN ISSUE PRICE OF RM0.21 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent



MERCURY SECURITIES SDN BHD

(Registration No.: 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 163.

THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. BURSA SECURITIES HAS APPROVED OUR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES AND THE REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF MYMBN AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS IS DATED 30 JUNE 2023

RESPONSIBILITY STATEMENTS

Our Directors and Promoters of MYMBN (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Mercury Securities Sdn Bhd ("**Mercury Securities**"), being our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent 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 the offering.

STATEMENTS OF DISCLAIMER

Approval has been granted by Bursa Securities for the listing of and quotation for the securities being offered. Admission to the Official List of ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares (as defined herein).

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Our Shares (as defined herein) are offered to the public on the premise of full and accurate disclosure of all material information concerning the offering, for which any person set out in Section 236 of the CMSA, is responsible.

This Prospectus is prepared and published solely in connection with the offering under the laws of Malaysia. Our Shares are offered in Malaysia solely based on the contents of this Prospectus. Our Company, Directors, Promoters, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

The distribution of this Prospectus and the offering are subject to the laws of Malaysia. Our Company, Directors, Promoters, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. No action has been taken to permit a public offering of the securities of our Company based on this Prospectus or the distribution of this Prospectus outside Malaysia.

This Prospectus may not be used for the purpose of and does not constitute an offer to sell or an invitation to buy the securities offered under the offering in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or is unlawful. This Prospectus shall also not be used to make an offer of or invitation to buy the securities offered under the offering to any person to whom it is unlawful to do so. The distribution of this Prospectus and the sale of our Shares in certain jurisdictions may be restricted by law. Person(s) who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of the offering, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility, if you are or may be subjected to the laws of any countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether your application for the offering would result in the contravention of any laws of such countries or jurisdictions.

Neither we nor our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent nor any other advisers in relation to the offering shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

Further, it shall also be your sole responsibility to ensure that your application for the offering would be in compliance with the terms of our IPO (as defined herein) as stated in this Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted the offering in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any laws or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus (as defined herein) are as per the contents of the Prospectus registered with Bursa Securities.

You are advised that the internet is not a fully secure medium and that your Internet Share Application (as defined herein) may be subjected to the risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of the Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House (as defined herein), a paper/printed copy of this Prospectus. In the event of any discrepancies arising between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered by Bursa Securities shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**") whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (i) the Internet Participating Financial Institutions are liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software;
- (ii) the Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (iii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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DEFINITIONS

The following terms in this Prospectus have the same meaning as set out below unless the term is defined otherwise or the context requires otherwise:-

COMPANIES WITHIN OUR GROUP

MYMBN or Company	: MYMBN Berhad (<i>Registration No. 202201011844 (1457541-U)</i>).
MBN Enterprise	: MBN Enterprise Sdn Bhd (<i>Registration No. 200901041245 (884395-X)</i>), a wholly-owned subsidiary company of MYMBN.
MBN International	: MBN International Sdn Bhd (<i>Registration No. 202201038444 (1484141-K)</i>), a wholly-owned subsidiary company of MYMBN.
Group	: MYMBN and its Subsidiaries, collectively.
Subsidiaries	: MBN Enterprise and MBN International, collectively.

GENERAL

ACE Market	: The ACE Market of Bursa Securities.
Act	: Companies Act 2016.
Acquisition of MBN Enterprise	: Acquisition by MYMBN of the 500,000 ordinary shares representing the entire issued share capital of MBN Enterprise from the shareholders of MBN Enterprise, namely Lavernt Chen, Liw Chong Liong, Lee Wei Kong, MLCL Construction and Gentle Rainbow, for a total purchase consideration of RM10,800,000, which was entirely satisfied by the issuance of 287,999,999 new Shares at an issue price of RM0.0375 per Share, which was completed on 1 July 2022.
ADA(s)	: Authorised Depository Agent(s).
AGM	: Annual General Meeting.
Application(s)	: Application for our Issue Shares by way of Application Form, the Electronic Share Application or the Internet Share Application.
Application Form(s)	: Printed application form(s) for the application of our Issue Shares accompanying this Prospectus.
ATM	: Automated teller machine.
Authorised Financial Institution	: Authorised financial institution participating in the Internet Share Application, with respect to payments for our Issue Shares.
BNM	: Bank Negara Malaysia
Board	: Board of Directors of our Company.
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (<i>Registration No. 198701006854 (165570-W)</i>).
Bursa Securities	: Bursa Malaysia Securities Berhad (<i>Registration No. 200301033577 (635998-W)</i>).
CAGR	: Compounded annual growth rate.
CDS	: Central Depository System.

DEFINITIONS (*CONT'D*)

CDS Account	: Account established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and dealings in such securities by the Depositor.
CEO	: Chief Executive Officer.
CF or CCC	: Certificate of fitness for occupation or Certificate of Completion and Compliance, as the case may be.
CMSA	: Capital Markets and Services Act 2007.
Constitution	: The constitution of the Company.
COO	: Chief Operating Officer.
COVID-19	: Coronavirus outbreak which first happened in year 2019.
CVW Ventures	: CVW Ventures Sdn Bhd (now known as Bnest Sdn Bhd) (<i>Registration No. 200501033085 (715225-V)</i>), being our major customer and major supplier.
Depositor	: A holder of a CDS Account.
Director(s)	: Director(s) (executive and non-executive) of our Company and within the meaning given in Section 2 of the CMSA.
DOSH	: Department of Occupational Safety and Health Malaysia.
EBITDA	: Earnings before interest, taxation, depreciation and amortisation.
EIS	: Employment insurance scheme.
Electronic Prospectus	: A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory).
Electronic Share Application	: Application for our Issue Shares through a Participating Financial Institution's ATM.
Eligible Person(s)	: Collectively, the eligible Directors and employees of our Group as well as persons who have contributed to the success of our Group and are eligible to participate in the IPO.
EPF	: Employees Provident Fund.
EPS	: Earnings per Share.
Equity Transfer Agreement	: Equity Transfer Agreement dated 9 May 2023 entered between Zhang Dan as the vendor and MYMBN in respect of the proposed acquisition of 80.00% equity interest in Guangxi Nan Yang.
FYE(s)	: Financial year(s) ended/ending 31 December, as the case may be.
FY Under Review	: Collectively, the past four (4) FYEs 2019, 2020, 2021 and 2022.
Government	: Government of Malaysia.

DEFINITIONS (CONT'D)

GP	: Gross profit.
Gentle Rainbow	: Gentle Rainbow Sdn Bhd (<i>Registration No. 200201002994 (570657-A)</i>), being our Promoter, substantial shareholder and Specified Shareholder.
Guangxi Nan Yang	: Guangxi Nan Yang Birdnest (M) Co., Ltd., (a RCEBN processing company in the PRC)
ICR or Sterling	: Sterling Business Alignment Consulting Sdn Bhd (<i>Registration No. 200401015607 (654110-P)</i>).
IMR or Protégé	: Protégé Associates Sdn Bhd (<i>Registration No. 200401037256 (675767-H)</i>).
IMR Report	: The independent market research report prepared by Protégé in relation to our IPO as set out in Section 8 (<i>Industry Overview</i>) of this Prospectus.
Internet Participating Financial Institution(s)	: Participating financial institution(s) for the Internet Share Application.
Internet Share Application	: Application for our Issue Shares through an Internet Participating Financial Institution.
IPO	: Initial public offering of the Issue Shares in conjunction with the Listing, comprising the Public Issue.
IPO Price	: RM0.21 for each Issue Share.
Issue Share(s)	: 98,000,000 new Shares, representing approximately 25.39% of our enlarged issued share capital, which are to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus.
Issuing House or Malaysian Issuing House	: Malaysian Issuing House Sdn Bhd (<i>Registration No. 199301003606 (258345-X)</i>).
Koperasi Polis	: Koperasi Polis Diraja Malaysia Berhad (<i>Company No. 74/1925</i>), being the owner and vendor of the New Facility.
Lavernt Chen	: Lavernt Chen Vun Wo, our Non-Independent Executive Director / CEO, Promoter, substantial shareholder, key senior management and Specified Shareholder.
Listing	: Admission to the Official List and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities.
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities.
LPD	: 31 May 2023, being the latest practicable date prior to the registration of this Prospectus.
Malaysian Public	: Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia.

DEFINITIONS (CONT'D)

Market Day(s)	: Any day on which Bursa Securities is open for trading of securities, which may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year.
MBN Enterprise SSA	: Conditional share sale agreement dated 10 June 2022 entered into between our Company and the MBN Enterprise Vendors for the Acquisition of MBN Enterprise.
MBN Enterprise Vendors	: Collectively, Lavernt Chen, Liw Chong Liong, Lee Wei Kong, MLCL Construction and Gentle Rainbow.
MCO	: The nationwide movement control order that imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of the COVID-19 pandemic.
Mercury Securities or Principal Adviser or Sponsor or Sole Underwriter or Sole Placement Agent	: Mercury Securities Sdn Bhd (<i>Registration No. 198401000672 (113193-W)</i>).
MITI	: Ministry of Investment, Trade and Industry Malaysia.
MLCL Construction	: MLCL Construction Sdn Bhd (<i>Registration No. 199701019341(434838-M)</i>), being our Promoter and substantial shareholder.
NA	: Net assets attributable to owners of our Company.
NBV	: Net book value.
Official List	: A list specifying all securities which have been admitted for listing on Bursa Securities.
Participating Financial Institution(s)	: Participating financial institution(s) for the Electronic Share Application.
PAT	: Profit after taxation.
PBT	: Profit before taxation.
PE Multiple	: Price-to-earnings multiple.
Pink Application Form(s)	: Application form for the application of our Issue Shares by the Eligible Persons.
Pink Form Allocation	: The allocation of 18,678,000 Issue Shares, representing approximately 4.84% of our enlarged issued share capital, to the Eligible Persons.
PPE	: Property, plant and equipment.
PRC	: People's Republic of China (excludes Special Administration Regions of Hong Kong and Macao).
Promoter(s)	: Lavernt Chen, Liw Chong Liong, Lee Wei Kong, MLCL Construction and Gentle Rainbow, collectively.

DEFINITIONS (CONT'D)

Prospectus	: This Prospectus dated 30 June 2023 in relation to our IPO.
Public Issue	: Public issue of 98,000,000 new Shares at the IPO Price comprising: <ul style="list-style-type: none"> (a) 19,300,000 new Shares made available for application by the Malaysian Public; (b) 18,678,000 new Shares made available for application by the Eligible Persons; and (c) 60,022,000 new Shares made available by way of private placement to selected investors.
ROU	: Right-of-use.
Rules of Depository	: Rules of Bursa Depository and any appendices thereto as amended from time to time.
SC	: Securities Commission Malaysia.
Shares	: Ordinary shares of MYMBN.
Share Registrar or Boardroom	: Boardroom Share Registrars Sdn Bhd (<i>Registration No. 199601006647 (378993-D)</i>).
SOCISO	: Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial).
SPA	: Sale and purchase agreement dated 19 August 2022 made between MBN Enterprise as purchaser and Koperasi Polis as a vendor of the New Facility at the total purchase price of RM2,960,000 which is to be settled by way of cash.
Specified Shareholder(s)	: Lavern Chen and Gentle Rainbow, collectively.
sq. feet	: Square feet.
Standards Malaysia	: Department of Standards Malaysia, under MITI.
State Consent	: Consent from Melaka State Authority.
Underwriting Agreement	: The underwriting agreement dated 6 June 2023 entered into between our Company and our Sole Underwriter pursuant to our IPO.
White Application Form(s)	: Application form(s) for the application of our Issue Shares by the Malaysian Public accompanying this Prospectus.
Zero-COVID Measures	: Measures undertaken by the government of the PRC to contain the outbreak of the COVID-19 pandemic which include, amongst others, targeted lockdowns, mass testing and quarantine.

OUR OPERATING LOCATIONS

Headquarter	: Our headquarter bearing postal addresses Nos. 17, 19, 21, 23 and 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.
KK Collection Centre	: Our collection centre located at Kota Kinabalu, Sabah bearing postal address No. A-10-16A, Block A, Lorong Lebu Raya Sutera, Sutera Avenue Sembulan, 88100 Kota Kinabalu, Sabah, Malaysia.

DEFINITIONS (CONT'D)

- New Facility** : Eight (8) pieces of leasehold land together with eight (8) units of 3-storey terrace shop-office erected thereon bearing postal addresses No. 1, 3, 5, 7, 9, 11, 13 and 15, all in Jalan Melaka Raya 26, Taman Melaka Raya, 75000, Melaka, Malaysia with title details known as follows:
- (i) PN 8258, Lot 497 (No.1);
 - (ii) PN 8259, Lot 498 (No.3);
 - (iii) PN 15258, Lot 499 (No.5);
 - (iv) PN 15257, Lot 500 (No.7);
 - (v) PN 15256, Lot 501 (No.9);
 - (vi) PN 15255, Lot 502 (No.11);
 - (vii) PN 8260, Lot 503 (No.13); and
 - (viii) PN 15254, Lot 504 (No.15),
- all within Kawasan Bandar XXXIX, Melaka Tengah, Melaka, with a total built-up of 25,344 sq. feet to be acquired by MBN Enterprise from Koperasi Polis in accordance with the terms and conditions of the SPA.
- Unit 17** : Our processing facility bearing postal addresses Nos. 17, 17-1 and 17-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia with the built-up area measuring approximately 2,860 sq. feet.
- Unit 19** : Our processing facility bearing postal addresses Nos. 19, 19-1 and 19-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia with the built-up area measuring approximately 2,860 sq. feet.
- Unit 21** : Our processing facility bearing postal addresses Nos. 21, 21-1 and 21-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia with the built-up area measuring approximately 2,771 sq. feet.
- Unit 23** : Our processing facility bearing postal addresses Nos. 23, 23-1 and 23-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia with the built-up area measuring approximately 2,860 sq. feet.
- Unit 25** : Our processing facility bearing postal addresses Nos. 25, 25-1 and 25-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia with the built-up area measuring approximately 3,734 sq. feet.

CURRENCY

- RM and sen** : Ringgit Malaysia and sen, respectively.
- RMB** : Renminbi or Chinese Yuan, official currency of the PRC.
- USD** : United States Dollar.

The exchange rates as set out below are used in this Prospectus, being BNM's middle exchange rate as at LPD, unless otherwise stated:

Currency	Exchange rate (RM)
RM to RMB 1	0.6503

GLOSSARY OF TECHNICAL TERMS

The following commonly used terms in our Group's business and operations shall apply throughout this Prospectus unless the term is defined otherwise or the context otherwise requires:-

Approved Supplier(s)	: In the context of this Prospectus, the Group's supplier(s) include local bird's nest farmers, traders and agents located throughout Malaysia, who in turn harvest / source from swiftlet house(s) with identification registration and myGAP certification from DVS.
Avian influenza	: Avian influenza is a viral infection found in domestic poultry and a wide range of other birds. It may cause respiratory issues as well as organ failure and death.
CoVP	: Code of Veterinary Practice on the Specification for RUCEBN (SIRIM/DVS 3:2015) established by SIRIM Berhad and DVS.
DVS	: Department of Veterinary Services Malaysia.
EBN	: Edible bird's nest which is produced from swiftlets' saliva.
EPP	: Entry point project.
GACC	: General Administration of Customs of the PRC.
GMP	: Good manufacturing practice.
GMP Certificate	: Good manufacturing practice certificate issued by MOH.
HACCP	: Hazard Analysis and Critical Control Point, a benchmark system worldwide in ensuring food safety and serves as a legal requirement for the food industry.
HALAL	: In the context of this Prospectus, food that is allowed or permitted by the Islamic laws to be consumed and is in accordance with laws set out by JAKIM.
JAKIM	: Department of Islamic Development Malaysia, a federal government agency in Malaysia that administers Islamic affairs in Malaysia.
kg	: Kilogram.
MAQIS	: Malaysian Quarantine and Inspection Services.
MeSTI	: Makanan Selamat Tanggungjawab Industri, a certification scheme established under the MOH.
MOH	: Ministry of Health Malaysia.
myGAP	: Malaysian Good Agricultural Practice, a certification scheme by DVS.
Newcastle Disease	: A highly contagious viral avian disease which affects the digestive, respiratory and nervous systems of the domestic poultry and other bird species.
Norovirus	: Norovirus is a very contagious virus that causes vomiting and diarrhoea. Norovirus test refers to diagnostic tests using real-time polymerase chain reaction (PCR) to detect Norovirus.
RCEBN	: Raw clean edible bird's nest.
RUCEBN	: Raw unclean edible bird's nest.
VHM Certificate	: Veterinary Health Mark Certificate issued by DVS.

INDICATIVE TIMETABLE

The indicative timetable for our IPO is set out below:-

Event(s)	Tentative Date(s)
Issuance of this Prospectus / Opening of Application	30 June 2023
Closing date of Application	10 July 2023
Balloting of Applications	13 July 2023
Allotment of our Issue Shares to successful applicants	21 July 2023
Listing on the ACE Market of Bursa Securities	25 July 2023

Should there be any change to the indicative timetable above, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia newspaper within Malaysia and make an announcement of such changes on Bursa Securities' website accordingly.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "MYMBN" and "our Company" in this Prospectus are to MYMBN Berhad, while references to "Group" or "our Group" in this Prospectus are to our Company and our Subsidiaries shall be taken as a whole. Any reference to words such as "we", "us", "our" and "ourselves" in this Prospectus shall be a reference to our Company, our Group or our Subsidiaries as the context requires, unless otherwise stated. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to "you" are to our prospective investors.

Any references in this Prospectus, the Application Form, Electronic Share Application or Internet Share Application to any provisions of the acts, statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such acts, statutes, rules, regulations, enactments or rules of the stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the acts, statutes, rules, regulations, enactments or rules of stock exchange for the time being in force. Any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia, unless otherwise stated.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include natural persons, firms, companies, body corporates and corporations.

This Prospectus includes statistical data provided by us and various third parties and cites third party projections regarding the growth and performance of the industry in which we operate. This data is taken, extracted or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from Protégé or IMR Report for inclusion in this Prospectus.

We have appointed Protégé as our IMR to provide an independent market and industry review relating to an overview of the industry in which we operate in or is exposed to. In compiling their data for the review, Protégé relied on its research methodology, industry sources, published materials and its private databanks. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate in or is exposed to.

However, third party projections, cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Therefore, we give no assurance that the projected figures will be achieved. You should not place undue reliance on the statistical data and third party projections cited in this Prospectus.

The information on our website (www.mymbn.com.my), or any website directly or indirectly linked to our website does not form part of this Prospectus and you should not rely on such information for the purposes of your decision whether or not to invest in our Shares.

Any discrepancies in the tables included in this Prospectus between the amounts listed and the totals thereof are due to rounding.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail.

All information stated herein are as at the LPD unless otherwise specified.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations, are forward-looking statements. Some of these statements can be identified by words that have a bias towards or are forward-looking such as "may", "will", "would", "could", "believe", "expect", "anticipate", "estimate", "aim", "plan", "forecast", "project", "intend" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other important factors beyond our Group's control that could cause our actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

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

Our actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors beyond our control, including without limitation:

- (i) general economic, business, social, political and investment environment in Malaysia and globally;
- (ii) government policy, legislation and regulation;
- (iii) interest rates, tax rates and foreign exchange rates;
- (iv) the competitive environment in the industry in which we operate;
- (v) reliance on approvals, licences and permits;
- (vi) availability and fluctuations in prices of raw materials; and
- (vii) fixed and contingent obligations and commitments.

Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 9 (*Risk Factors*) and Section 12.3 (*Management's Discussion and Analysis of Financial Conditions and Results of Operations*) of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the LPD and are made available only as at the LPD. Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the Issue Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMA, Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus) and Rules 3.12D of the Listing Requirements.

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

Name / (Designation)	Gender	Address	Nationality
Liw Chong Liong <i>(Non-Independent Non-Executive Chairman)</i>	Male	No. 3, Jalan OZ 30 Ozana Country Resort Bukit Katil 75450 Melaka, Malaysia	Malaysian
Lavernt Chen <i>(Non-Independent Executive Director / CEO)</i>	Male	546-D, Jalan Seaview 2 Taman Seaview Ujong Pasir 75050 Melaka, Malaysia	Malaysian
Chin Chee Cheah <i>(Non-Independent Executive Director / COO)</i>	Female	No. 7, Jalan OR 6 Taman Ozana Residen Bukit Katil 75450 Melaka, Malaysia	Malaysian
Lee Wei Kong <i>(Non-Independent Non-Executive Director)</i>	Male	335A, Jalan Kenanga 3/27 Taman Kenanga Seksyen 3 75200 Melaka, Malaysia	Malaysian
Dato' Dr. Rosini Binti Alias <i>(Independent Non-Executive Director)</i>	Female	19, Jalan Setiawangsa 17 Taman Setiawangsa 54200 Kuala Lumpur Wilayah Persekutuan, Malaysia	Malaysian
Dato' Nazipah Binti Jamaludin <i>(Independent Non-Executive Director)</i>	Female	No. 69, Jalan Avens 1 Avens Residence Southville City 43800 Dengkil Selangor, Malaysia	Malaysian
Chin Peck Li <i>(Independent Non-Executive Director)</i>	Female	5, Jalan PJ28 Taman Pertam Jaya Padang Temu 75050 Melaka, Malaysia	Malaysian
Goh Wen Ling <i>(Independent Non-Executive Director)</i>	Female	258-1, Klebang Kecil 75200 Melaka, Malaysia	Malaysian

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1. CORPORATE DIRECTORY (CONT'D)**AUDIT AND RISK MANAGEMENT COMMITTEE**

Name	Designation	Directorship
Chin Peck Li	Chairperson	Independent Non-Executive Director
Dato' Dr. Rosini Binti Alias	Member	Independent Non-Executive Director
Dato' Nazipah Binti Jamaludin	Member	Independent Non-Executive Director
Goh Wen Ling	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Goh Wen Ling	Chairperson	Independent Non-Executive Director
Dato' Dr. Rosini Binti Alias	Member	Independent Non-Executive Director
Dato' Nazipah Binti Jamaludin	Member	Independent Non-Executive Director
Chin Peck Li	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Dato' Dr. Rosini Binti Alias	Chairperson	Independent Non-Executive Director
Dato' Nazipah Binti Jamaludin	Member	Independent Non-Executive Director
Chin Peck Li	Member	Independent Non-Executive Director
Goh Wen Ling	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARIES** : **Wong Youn Kim** (MAICSA 7018778)
SSM Practicing Certificate No.: 201908000410
Chartered Secretary
Fellow of the Malaysian Institute of Chartered Secretaries and Administrators
- Lim Li Heong** (MAICSA 7054716)
SSM Practicing Certificate No.: 202008001981
Chartered Secretary
Associate of the Malaysian Institute of Chartered Secretaries and Administrators
- Wong Mee Kiat** (MAICSA 7058813)
SSM Practicing Certificate No.: 202008001958
Chartered Secretary
Associate of the Malaysian Institute of Chartered Secretaries and Administrators
- Acclime Corporate Services Sdn Bhd**
Registration No. 199901021060 (495960-D)
Level 5, Tower 8, Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
- Tel No. : +(603) 2241 5800
Fax No. : +(603) 2282 5022
- REGISTERED OFFICE** : Level 5, Tower 8, Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
- Tel No. : +(603) 2280 6388
Fax No. : +(603) 2280 6399
- HEADQUARTER** : Nos. 17, 19, 21, 23 and 25
Jalan Melaka Raya 26
Taman Melaka Raya
75000 Melaka, Malaysia
- Tel No. : +(606) 292 2628
Fax No. : +(606) 292 2628
Email : info@mymbn.com.my
Website : www.mymbn.com.my
- PRINCIPAL ADVISER,
SPONSOR, SOLE
UNDERWRITER AND SOLE
PLACEMENT AGENT** : **Mercury Securities Sdn Bhd**
Registration No. 198401000672 (113193-W)
L-7-2, No. 2 Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan, Malaysia
- Tel No. : +(603) 6203 7227
Fax No. : +(603) 6203 7117

1. CORPORATE DIRECTORY (CONT'D)

AUDITORS AND REPORTING ACCOUNTANTS	:	Crowe Malaysia PLT Registration No. 201906000005 Firm No. LLP0018817-LCA (AF 1018) 52, Jalan Kota Laksamana 2/15 Taman Kota Laksamana Seksyen 2 75200 Melaka, Malaysia Tel No. : +(606) 282 5995 Fax No. : +(606) 283 6449 Partner-in-charge : Piong Yew Peng Approval No: 03070/06/2025 J Professional : Chartered Accountant, Fellow of CPA Qualification : Australia and Member of the Malaysian Institute of Accountants (MIA membership no.: 11430)
DUE DILIGENCE SOLICITORS FOR OUR IPO	:	Olivia Lim & Co Registration No. 000020004647 41-3 Plaza Damansara Jalan Medan Setia 1 Bukit Damansara 50490 Kuala Lumpur Wilayah Persekutuan, Malaysia Tel No. : +(603) 2011 1386 / 6386 Fax No. : +(603) 2093 8124
SOLICITORS FOR OUR GROUP	:	Koh Kim Leng & Company Registration No. 000020000011 No. 106, Bangunan Bintang 51 Jalan Bendahara 75100 Melaka, Malaysia Tel No. : +(606) 283 2323 Fax No. : +(606) 286 6580
SHARE REGISTRAR	:	Boardroom Share Registrars Sdn Bhd Registration No. 199601006647 (378993-D) 11 th Floor, Menara Symphony No.5 Jalan Prof Khoo Kay Kim, Seksyen 13 46200 Petaling Jaya Selangor, Malaysia Tel No. : +(603) 7890 4700 Fax No. : +(603) 7890 4670

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1. CORPORATE DIRECTORY (CONT'D)

ISSUING HOUSE : **Malaysian Issuing House Sdn Bhd**
Registration No. 199301003608 (258345-X)
11th Floor, Menara Symphony
No. 5 Jalan Prof Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia

Tel No. : +(603) 7890 4700
Fax No. : +(603) 7890 4670

INDEPENDENT MARKET RESEARCHER : **Protégé Associates Sdn Bhd**
Registration No. 200401037256 (675767-H)
Suite C-09-12, Plaza Mont' Kiara
No. 2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel No. : +(603) 6201 9301
Fax No. : +(603) 6201 7302

Person-in-charge : Dr. Tan Chin How

Professional qualification :

- Doctor of Business Administration from HELP University
- Master of Business Administration from Charles Sturt University
- Bachelor of Science in Computing from the University of Portsmouth

Please refer to Section 8 (*Industry Overview*) of this Prospectus for the profile of the firm and person-in-charge.

INTERNAL CONTROL REVIEW CONSULTANT : **Sterling Business Alignment Consulting Sdn Bhd**
Registration No. 200401015607 (654110-P)
Unit C3A02, Level 3A
Lobby 1, Block C Damansara Intan
No 1, Jalan SS20/27
47400 Petaling Jaya
Selangor, Malaysia

Tel No. : +(603) 7662 8010
Fax No. : +(603) 7612 8610

LISTING SOUGHT : ACE Market of Bursa Securities

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 13 January 2023, approved the following:

- (a) our admission to the Official List; and
- (b) the listing of and quotation for our entire enlarged issued share capital of 386,000,000 Shares on the ACE Market.

The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: <ol style="list-style-type: none"> (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares. 	Complied
2.	Confirmation that approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
3.	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of MYMBN on the first day of listing;	To be complied
6.	In relation to the public offering to be undertaken by MYMBN, to announce at least 2 market days prior to the listing date, the result of the offering including the following: <ol style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche as per the format in Appendix I of the approval letter by Bursa Securities; and (iv) Disclosure of placees who become substantial shareholders of MYMBN arising from the public offering, if any. 	To be complied

Please be reminded that the overall distribution of MYMBN's securities should be properly carried out to mitigate any disorderly trading in the secondary market; and

2. APPROVALS AND CONDITIONS (CONT'D)

No.	Details of conditions imposed	Status of compliance
7.	MYMBN/ Mercury Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of MYMBN to the Official list of the ACE Market.	To be complied

Bursa Securities also had, vide its same letter dated 13 January 2023, approved our application for modification in complying with the following paragraph of the Listing Requirements:

Listing Requirements	Modification sought
Rule 3.19(1)(b), Chapter 3	Modification to allow Lee Wei Kong and Liw Chong Liong, the Promoters and substantial shareholders of MYMBN, together with the Specified Shareholders to comply with this requirement.

2.1.2 SC approval

Our IPO is an exempt transaction under Section 212(8) of the CMSA and therefore is not subject to the SC's approval.

The SC had, vide its letter dated 17 January 2023, approved the resultant equity structure of our Company under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	MYMBN to make available at least 50% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing;	To be complied
2.	MYMBN to allocate 12.5% of its enlarged number of issued shares to Bumiputera investors to be approved or recognised by MITI within one (1) year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Securities or five (5) years after being listed on the ACE Market, whichever is earlier (" Compliance Date ");	To be complied
3.	MYMBN to submit to the SC a proposal to comply with the equity condition stated in item (2) above, at least six (6) months prior to the Compliance Date; and	To be complied
4.	Mercury Securities or MYMBN to submit MYMBN's equity structure to the SC upon completion of the Listing.	To be complied

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2. APPROVALS AND CONDITIONS (CONT'D)

2.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19(1) of the Listing Requirements and pursuant to the conditions imposed under the approval letter by Bursa Securities, a moratorium will be imposed on the sale, transfer or assignment of those Shares held by our Specified Shareholders as follows:

- (i) the moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.00% of the total number of issued ordinary shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (iii) on the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares held under moratorium.

Upon Listing, our Specified Shareholders, namely Lavernt Chen and Gentle Rainbow will hold in aggregate 41.04% of our enlarged issued share capital for the First 6-Month Moratorium and Second 6-Month Moratorium. Thereafter, upon the expiry of the Second 6-Month Moratorium, they may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares held under moratorium.

For the Second 6-Month Moratorium, our Specified Shareholders, namely Lavernt Chen and Gentle Rainbow will hold in aggregate 41.04% of our enlarged issued share capital, which is less than the minimum 45.00% requirement.

In view of the above, Bursa Securities had vide its letter dated 13 January 2023, approved our application for modification to allow our other Promoters who are also the substantial shareholders, namely Lee Wei Kong and Liw Chong Liong together with our Specified Shareholders, namely Lavernt Chen and Gentle Rainbow to comply with Rule 3.19(1) of the Listing Requirements. Our other Promoters who are also substantial shareholders, namely Lee Wei Kong, Liw Chong Liong and MLCL Construction (on voluntarily basis) have provided written undertakings that they will comply with the moratorium conditions and will not sell, transfer or assign any part of their interests in the Shares during the moratorium period, as follows:

- (i) our other Promoters and substantial shareholders, namely Lee Wei Kong, Liw Chong Liong and MLCL Construction, have voluntarily provided written undertakings to place their Shares under moratorium for the First 6-Month Moratorium;
- (ii) upon the expiry of the First 6-Month Moratorium, our other Promoters and substantial shareholders, namely Lee Wei Kong and Liw Chong Liong have voluntarily provided written undertakings on their respective Shares of 7,650,000 (representing 1.98%) each, of our enlarged issued share capital, shall remain under moratorium for the Second 6-Month Moratorium. This is to ensure that our other Promoters and substantial shareholders, namely Lee Wei Kong and Liw Chong Liong together with our Specified Shareholders, namely Lavernt Chen and Gentle Rainbow, comply with Rule 3.19(1)(b) of the Listing Requirements of at least 45.00% of the total number of issued ordinary shares remain under moratorium for the Second 6-Month Moratorium; and
- (iii) thereafter, upon the expiry of the Second 6-Month Moratorium, our other Promoters and substantial shareholders, namely Lee Wei Kong and Liw Chong Liong, have voluntarily provided written undertakings that they may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares held under moratorium.

2. APPROVALS AND CONDITIONS (CONT'D)

Details of our Shares which will be subject to moratorium are as follows:

Name of Promoters/ substantial shareholders	Year 1			Year 2			Year 3		
	Moratorium shares during the First 6-Month Moratorium		% of enlarged share capital ⁽¹⁾	Moratorium shares during the Second 6-Month Moratorium		% of enlarged share capital ⁽¹⁾	Moratorium shares		% of enlarged share capital ⁽¹⁾
	No. of Shares	issued share capital ⁽¹⁾		No. of Shares	issued share capital ⁽¹⁾		No. of Shares	issued share capital ⁽¹⁾	
<i>Promoters / Specified Shareholders</i>									
Lavernt Chen	129,600,000	33.58	129,600,000	33.58	86,400,000	22.38	43,200,000	11.19	
Gentle Rainbow	28,800,000	7.46	28,800,000	7.46	19,200,000	4.98	9,600,000	2.49	
<i>Other Promoters / Substantial Shareholders</i>									
Lee Wei Kong ⁽²⁾⁽³⁾	43,200,000	11.19	7,650,000	1.98	5,100,000	1.32	2,550,000	0.66	
Liw Chong Liong ⁽²⁾⁽³⁾	43,200,000	11.19	7,650,000	1.98	5,100,000	1.32	2,550,000	0.66	
MLCL Construction ⁽²⁾	43,200,000	11.19	-	-	-	-	-	-	
Total	288,000,000	74.61	173,700,000	45.00	115,800,000	30.00	57,900,000	15.00	

Notes:

(1) Based on our enlarged issued share capital of 386,000,000 Shares after our IPO.

(2) Voluntarily provided their written undertakings for the First 6-Month Moratorium.

(3) Voluntarily provided their written undertakings for the Second 6-Month Moratorium.

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2. APPROVALS AND CONDITIONS (CONT'D)

In accordance with Rule 3.19(2) of the Listing Requirements, where our Specified Shareholder or vendor is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation shareholders must give undertakings to Bursa Securities that they will not sell, transfer or assign their securities in the unlisted corporation for the requisite moratorium period.

In compliance with Rule 3.19(2) of the Listing Requirements, the ultimate shareholders of the following companies have also undertaken not to sell, transfer or assign their shareholdings in their respective companies during the following moratorium period:

- (i) Gentle Rainbow's ultimate shareholders, namely, Hew Hong Thee and Fong Chew Chung for the entire abovementioned moratorium period; and
- (ii) MLCL Construction's ultimate shareholders, namely, Liw Chong Liong, Liw Jun Yu, Chuah Lee Yeok and Hsu, Lan-Yen for the First 6-Month Moratorium.

The moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The above moratorium restriction is specifically endorsed on the share certificates representing the Shares held by the respective Specified Shareholders, Promoters and substantial shareholders to ensure that our Share Registrar will not register any sale, transfer or assignment that contravenes the aforesaid restriction.

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3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO entails an offering of 98,000,000 Issue Shares at an IPO Price of RM0.21.

Our Issue Shares will be allocated in the following manner, as set out in Section 4 (*Details of Our IPO*) of this Prospectus:

Number of Shares to be offered under the Public Issue	98,000,000
- <i>Malaysian Public via balloting</i>	19,300,000
- <i>Eligible Persons</i>	18,678,000
- <i>Private placement to selected investors</i>	60,022,000
Enlarged issued share capital upon Listing	386,000,000
Enlarged issued share capital (RM)	31,380,001
IPO Price (RM)	0.21
Market capitalisation upon Listing (based on the IPO Price and enlarged number of issued shares after our Listing) (RM)	81,060,000

Our Specified Shareholders, namely Lavernt Chen and Gentle Rainbow and our other Promoters and substantial shareholders, namely Lee Wei Kong, Liw Chong Liong and MLCL Construction's entire shareholdings after our IPO will be held under moratorium for the First 6-Month Moratorium from the date of Listing.

Upon the expiry of the First 6-Month Moratorium, our Specified Shareholders, namely Lavernt Chen and Gentle Rainbow and our other Promoters and substantial shareholders, namely Lee Wei Kong and Liw Chong Liong's shareholdings, collectively amounting to 45.00% of our issued share capital will remain under moratorium for the Second 6-Month Moratorium.

Thereafter upon expiry of the Second 6-Month Moratorium, our Specified Shareholders, namely Lavernt Chen and Gentle Rainbow and our other Promoters and substantial shareholders, namely Lee Wei Kong and Liw Chong Liong may sell, transfer or assign up to a maximum of 1/3 per year (on a straight-line basis) of our Shares held under moratorium.

Separately, the ultimate shareholders of the following companies have also undertaken not to sell, transfer or assign their shareholdings in their respective companies during the following moratorium period:

- (a) Gentle Rainbow's ultimate shareholders, namely, Hew Hong Thee and Fong Chew Chung for the entire abovementioned moratorium period; and
- (b) MLCL Construction's ultimate shareholders, namely, Liw Chong Liong, Liw Jun Yu, Chuah Lee Yeok and Hsu, Lan-Yen for the First 6-Month Moratorium.

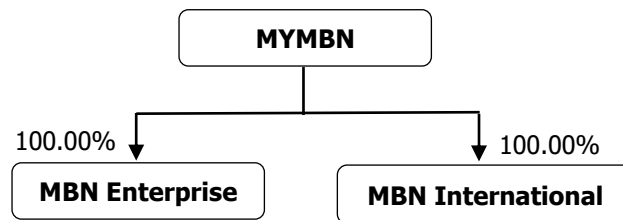
3. PROSPECTUS SUMMARY (CONT'D)

3.2 OUR GROUP AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia under the Act on 31 March 2022 as a private limited company under the name of MYMBN Sdn Bhd. We subsequently converted the status of our Company to a public limited company on 6 July 2022 for our Listing.

Our Company is an investment holding company and through our Subsidiaries, our Group is principally involved in the processing and sale of EBN.

Our corporate Group structure is as follows:



Further details of our Subsidiaries are set out in Section 6.5 (*Information on our Subsidiaries*) of this Prospectus.

3.3 BUSINESS MODEL

The following is an overview of our Group's business model:

Principal business activities	Processing and sale of EBN, specifically RUCEBN.			
Products	Our RUCEBN are available in four (4) categories namely, Guan, Tian, Ban and Cui series.			
Customers	<table border="1"> <tr> <td>EBN Traders</td> <td>Processors of RCEBN</td> <td>Manufacturers of EBN-related products such as F&B, cosmetic, etc.</td> </tr> </table>	EBN Traders	Processors of RCEBN	Manufacturers of EBN-related products such as F&B, cosmetic, etc.
EBN Traders	Processors of RCEBN	Manufacturers of EBN-related products such as F&B, cosmetic, etc.		
Our competitive strengths	<p>Experienced management team Stringent quality control measures Wide supplier network throughout Malaysia One of the pioneers in supplying to the PRC, the largest market for bird's nests</p>			

We generate our revenues mainly from sales of RUCEBN in Malaysia, the PRC and Hong Kong⁽¹⁾.

Note:

(1) As at the LPD, our Group does not have any customer from Hong Kong. Please refer to Section 7.4 (*Revenue Contribution by Principal Markets*) of this Prospectus.

Our Group's revenue contribution by principal markets and products for the FY Under Review are as follows:

3. PROSPECTUS SUMMARY (CONT'D)**(i) Revenue by principal markets**

Our Group's revenue by principal markets is as follows:

Countries	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
PRC	3,096	26.02	44,222	99.58	90,984	99.38	67,872	98.55
Malaysia	6,777	56.97	186	0.42	572	0.62	999	1.45
Hong Kong	2,024	17.01	-	-	-	-	-	-
Total	11,897	100.00	44,408	100.00	91,556	100.00	68,871	100.00

(ii) Revenue by products range

Our Group's revenue by products range is as follows:

Types	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Guan (官)	1,523	12.80	4,209	9.48	7,631	8.33	2,281	3.31
Tian (天)	8,835	74.26	39,188	88.24	78,270	85.49	61,232	88.91
Ban (般)	142	1.20	-	-	-	-	-	-
Cui (翠)	470	3.95	847	1.91	5,444	5.95	5,210	7.56
Others ⁽¹⁾	927	7.79	164	0.37	211	0.23	148	0.22
Total	11,897	100.00	44,408	100.00	91,556	100.00	68,871	100.00

Note:

(1) Others consist of EBN byproducts such as crumbs or fragments during the processing of RUCEBN and lower grade (i.e. impurities, undesirable colours) EBN that was identified during sorting which does not meet the quality requirements for export to the PRC.

Further details on our Group's principal activities and business model are set out in Section 7.2 (*Principal Activities and Business Model of Our Group*) of this Prospectus.

3.4 COMPETITIVE POSITION

Our competitive strengths are as follows:

(i) Experienced founders and management team

Our Group is led by our Non-Independent Executive Director / CEO, Lavernt Chen who has more than 20 years of hands-on experience in the bird's nest industry, having been involved in his family's swiftlet farming business at an early age.

Our Group's Non-Independent Non-Executive Chairman and Non-Independent Non-Executive Director, namely Liw Chong Liong and Lee Wei Kong, respectively are experienced participants in the bird's nest industry.

In year 2015, Liw Chong Liong and Lavernt Chen participated as members of the project committee to develop the CoVP for the RUCEBN industry with the objectives to (i) improve and maintain the quality of the RUCEBN industry in Malaysia; (ii) ensure the sustainability of RUCEBN industry in Malaysia; and (iii) assist the RUCEBN industry in international trade.

3. PROSPECTUS SUMMARY (CONT'D)

Our Non-Independent Executive Directors are supported by a team of key senior management, who possess the necessary experience in their fields of expertise. Our COO, Chin Chee Cheah has more than 17 years of experience in the bird's nest industry and is responsible for the entire processing operations and procurement activities of our Group. Our Production Department is headed by Kiew Pei Fang who has more than 6 years of experience in the bird's nest industry and is responsible for overseeing the processing activities, including sorting and grading of RUCEBN.

(ii) Stringent quality control measures

We place a strong emphasis on quality control and quality assurance procedures as part of our commitment to provide quality products. Our operations have been assessed and accredited with certifications such as the VHM Certificate from DVS and the GMP Certificate and MeSTI certificate, both from MOH. In addition, we only source our raw bird's nest from our Approved Suppliers.

(iii) Wide supplier network throughout Malaysia

Since the commencement of our operations in January 2017, we have built a wide supplier network to source raw bird's nest for our processing operations. As at the LPD, we have 18 Approved Suppliers with 224 swiftlet houses, whom we source our raw bird's nest from.

(iv) One of the pioneers in supplying RUCEBN to the PRC, the largest market for bird's nest

We are one of the pioneers in supplying RUCEBN to the PRC. In 2019, we became the first company in Malaysia approved by the GACC, to export RUCEBN to the PRC. Within the same year, we shipped our first shipment of 150kg of RUCEBN to our customer in Qinzhou in the PRC. In 2020, we exported our largest single shipment to the PRC, weighing 1,010kg of RUCEBN.

Further details of our competitive position is set out in Section 7.3 (*Competitive Position*) of this Prospectus.

3.5 BUSINESS STRATEGIES AND FUTURE PLANS

Moving forward, we will continue to strengthen our business in the following areas:

(i) Expanding our Headquarter and processing facility

Our Group intends to expand our existing Headquarter and processing facility through the acquisition of the New Facility which is adjoining to our existing Headquarter and processing facility in Taman Melaka Raya, Melaka, Malaysia for the following purposes:

- (a) the expanded processing facility will enable us to increase our RUCEBN processing capacity while at the same time enhancing our processing and operational efficiency, security management and greater cost optimisation by housing our operations in the same expanded area. As at the LPD, our capacity utilisation of our processing facility has reached 72.80%, and the planned expansion will cater for future increase in demand for our RUCEBN; and
- (b) facilitate greater processing volume to cater for our expansion into Vietnam.

The total cost for the acquisition of the New Facility is approximately RM3.10 million. MBN Enterprise has executed the SPA and paid a deposit of RM296,000.00 which is equivalent to 10.00% of the agreed purchase price of RM2.96 million to Koperasi Polis on 29 April 2022, which was funded through our internally generated funds. The acquisition of the New Facility is expected to be completed by 2nd half of 2023 which the State Consent has been obtained on 26 April 2023 for the transfer of the New Facility.

3. PROSPECTUS SUMMARY (CONT'D)**(ii) Exploring expansion into the processing and sale of RCEBN in the PRC through acquisition**

Our Group intends to expand the type of products we offer by venturing into the processing and sale of RCEBN. For this purpose, we have on 9 May 2023 executed the Equity Transfer Agreement with Zhang Dan, the vendor of Guangxi Nan Yang, a RCEBN processing company in the PRC, to acquire 80.00% equity interest in the said company for a purchase consideration of RMB540,000 (equivalent to approximately RM0.35 million). The proposed acquisition is currently pending completion and we expect the proposed acquisition to be completed by the second half of 2023.

With the proposed acquisition, it will fast track our expansion into this segment as it will be able to leverage on the company's existing processing expertise and facilities.

(iii) Setting-up of three (3) bird's nests collection centres in East Malaysia

Our Group intends to expand our sources of raw bird's nests from East Malaysia. As at the LPD, we have set up a bird's nests collection centre in Kota Kinabalu, Sabah. We have commenced the business operation in November 2022 and have hired one (1) employee in December 2022. We expect to hire another two (2) employees by 3rd quarter of 2023. On 17 November 2022, we had conducted the first trial shipment of raw bird's nest from Kota Kinabalu, Sabah and received the shipment on 21 November 2022. In addition, we plan to set up three (3) more collection centres to be located in (i) Tawau, Sabah by 3rd quarter of 2023, (ii) Kuching, Sarawak by 1st quarter of 2024 and, (iii) Sibul, Sarawak by 2nd quarter of 2024.

(iv) Diversifying our reliance on the PRC market by expanding into Vietnam

Our Group recognises that we are highly dependent on our customers in the PRC, for our bird's nest products and as such, will be pursuing the strategic step to diversify and expand into other markets. To this effect, we have incorporated MBN International to focus on the marketing and selling of our bird's nest products to Vietnam, mainly on our Ban and Cui Series of RUCBN. We have identified Vietnam as an appropriate destination for us based on our Non-Independent Executive Director/CEO, Lavernt Chen's familiarity and experience with the bird's nest market in Vietnam attained through his past dealings in the country. Given the positive prospects of demand for bird's nest in Vietnam, our Group intends to expand our presence to Vietnam. Our first sale of RUCBN to our customer in Vietnam was on 4 April 2023.

(v) Expansion of business into HALAL ready-to-drink bird's nest products

Our Group intends to expand downstream by venturing into the production of our own "mf" branded affordable HALAL ready-to-drink bird's nest products. For this purpose, we will work with contract manufacturers in Malaysia with the required food and safety certification including those from the MOH, HALAL certification from JAKIM and HACCP certification to develop and manufacture our own branded HALAL ready-to-drink bird's nest products.

We expect the plans to be implemented within twenty-four (24) months from the date of our Listing, subject to the HALAL certification being issued. Such plans will be funded via our internally generated funds and/or bank borrowings.

We intend to implement the above business strategies and plans between 2023 to 2025. We may experience delays compared to the expected timeline disclosed in this Prospectus if COVID-19 containment measures are reintroduced in the future or due to the change in regulations, laws or statutes relating to the EBN industry in Malaysia.

3. PROSPECTUS SUMMARY (CONT'D)

Further details on our business strategies and future plans are set out in Section 7.23 (*Business Strategies and Future Plans*) of this Prospectus.

3.6 RISK FACTORS

Our business is subject to a number of risk factors, many of which may have a material adverse impact on our business operations, financial position and performance. A summary of the key risk factors is set out below:

(i) We are highly dependent on the approval from the GACC to export to the PRC

Our business is highly dependent on the approval from the GACC in order for us to operate and export our RUCEBN products to the PRC. Any failure to renew the approval would have an adverse effect on our business operations and financial performance.

(ii) We are highly dependent on certain major customers based in the PRC

For the FY Under Review, the majority of our RUCEBN products are exported to customers in the PRC. We have 3 customers from the PRC out of 31 total customers in FYE 2019, 6 customers from the PRC out of 8 total customers in FYE 2020, 5 customers from the PRC out of 6 total customers in FYE 2021 and 6 customers from the PRC out of 8 total customers in FYE 2022. For the FY Under Review, our sales to the PRC market contributed RM3.10 million or 26.02%, RM44.22 million or 99.58%, RM90.98 million or 99.38% and RM67.87 million or 98.55% of our revenue, respectively. Therefore, our business is highly dependent on our certain major customers in the PRC.

(iii) Our products and operations are subject to regulations and operational protocols governing the EBN industry

As a processor and exporter of RUCEBN, our products and operations are required to meet the requirements imposed or may be imposed by relevant government authorities from time to time. These include obtaining and renewing periodically the necessary certifications such as the VHM Certificate from the DVS, GMP Certificate and MeSTI certificate, both from MOH, and the export permit from MAQIS. Failure to renew our certifications, prolonged delay or failure in adopting new operations protocols, or implementing these changes may adversely affect our business operations and financial performance.

(iv) Our operations are dependent on the availability of bird's nest from our Approved Suppliers

Our business operations are dependent on the consistent supply and availability of bird's nests as our raw materials. Should our Approved Suppliers fail to renew or have their necessary registrations revoked, it may lead to a shortage of bird's nest if we fail to identify and replace them with other Approved Suppliers. In addition, our Approved Suppliers may not be able to provide consistent supply of bird's nests that meet our specifications and quality requirements of raw bird's nests due to factors such as weather conditions. Prolonged disruption in the availability of bird's nests that meet our specifications and quality requirements of raw bird's nests will result in us not having the raw material for processing into RUCEBN and therefore, have a negative impact on our business operations and financial performance.

3. PROSPECTUS SUMMARY (CONT'D)**(v) Our business may be affected by the spread or outbreak of COVID-19 or any other contagious or virulent diseases**

The outbreak of COVID-19 or any other contagious or virulent diseases may potentially affect our business operations. Moving forward, if there is a spread or outbreak of COVID-19 or any other contagious or virulent diseases which leads to nationwide restrictions similar to various stages of MCO to curb the spread of such disease, our operations may be temporarily suspended or we may have to operate with reduced workforce capacity. Such occurrence may result in failure to meet customers' orders in a timely manner, which could lead to cancellation of orders and may result in an adverse effect on our business, financial performance and future prospects.

Please refer to Section 9 (*Risk Factors*) of this Prospectus for further details and the full list of risk factors which should be considered before investing in our Shares.

3.7 IMPACT OF COVID-19 ON OUR GROUP

During the initial MCO, we were allowed to resume operations at our processing facility (with 50% workforce capacity) after obtaining approvals from the MITI on 25 March 2020 subject to certain standard operating procedures as set out by the MITI.

During the various stages of lockdowns, we did not experience material disruptions to our supply chain as our Approved Suppliers are made up of local players who fall under the defined essential services segment, and thus we were able to continue our operations, albeit at lower levels of production due to standard operating procedures.

In FYE 2022, our exports to the PRC decreased to RM67.87 million or 15,075kg of RUCBN due to the Zero-COVID Measures.

Please refer to Section 7.21 (*Interruptions to Business and Operations and Implications to Our Business Operations*) of this Prospectus for further details on the impact of COVID-19 on our Group.

3.8 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

NAME	DESIGNATION
Directors	
Liw Chong Liong	Non-Independent Non-Executive Chairman
Lavernt Chen	Non-Independent Executive Director/ CEO
Chin Chee Cheah	Non-Independent Executive Director/ COO
Lee Wei Kong	Non-Independent Non-Executive Director
Dato' Dr. Rosini Binti Alias	Independent Non-Executive Director
Dato' Nazipah Binti Jamaludin	Independent Non-Executive Director
Chin Peck Li	Independent Non-Executive Director
Goh Wen Ling	Independent Non-Executive Director
Key senior management	
Lavernt Chen	Non-Independent Executive Director/ CEO
Chin Chee Cheah	Non-Independent Executive Director/ COO
Wang Heong Ying	Financial Controller
Kiew Pei Fang	Head of Production

Further details on our Directors and key senior management are set out in Section 5.2 (*Directors and Key Senior Management*) of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)

3.9 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

Name	Place of Incorporation / Nationality	Before our IPO / As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Promoters / Substantial Shareholders									
Lavernt Chen	Malaysian	129,600,000	45.00	-	-	129,600,000	33.58	-	-
Lee Wei Kong	Malaysian	43,200,000	15.00	-	-	43,200,000	11.19	-	-
Liu Chong Liong	Malaysian	43,200,000	15.00	43,200,000	15.00 ⁽³⁾	43,200,000	11.19	43,200,000	11.19 ⁽³⁾
MLCL Construction	Malaysia	43,200,000	15.00	-	-	43,200,000	11.19	-	-
Gentle Rainbow	Malaysia	28,800,000	10.00	-	-	28,800,000	7.46	-	-
Substantial Shareholders									
Hsu, Lan-Yen	Taiwanese	-	-	43,200,000	15.00 ⁽⁴⁾	-	-	43,200,000	11.19 ⁽⁴⁾
Hew Hong Thee	Malaysian	-	-	158,400,000	55.00 ⁽⁵⁾	-	-	158,400,000	41.04 ⁽⁵⁾
Fong Chew Chung	Malaysian	-	-	28,800,000	10.00 ⁽⁶⁾	-	-	28,800,000	7.46 ⁽⁶⁾

Notes:

- (1) Based on our issued share capital of 288,000,000 Shares before our IPO.
- (2) Based on our enlarged issued share capital of 386,000,000 Shares after our IPO.
- (3) Deemed interested by virtue of his shareholdings in MLCL Construction pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of her shareholdings in MLCL Construction pursuant to Section 8(4) of the Act.
- (5) Deemed interested by virtue of her shareholdings in Gentle Rainbow and her son, Lavernt Chen's shareholdings in our Company pursuant to Section 8(4) of the Act.
- (6) Deemed interested by virtue of his shareholdings in Gentle Rainbow pursuant to Section 8(4) of the Act.

Further details of our Promoters and substantial shareholders are disclosed in Section 5.1 (Promoters and Substantial Shareholders) of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)**3.10 USE OF PROCEEDS**

We expect to raise gross proceeds of approximately RM20.58 million from our Listing and will be utilised by our Group in the following manner:

Purposes	Section	RM'000	%	Estimated time frame for use upon Listing
1. Business expansion				
• Purchase of the New Facility to expand processing capacity	4.8.1	2,804	13.63	Within 24 months
• Renovation and fit out works of the New Facility	4.8.2	3,200	15.55	Within 24 months
• Setting-up of three (3) bird's nests collection centres in East Malaysia	4.8.3	1,680	8.16	Within 24 months
• Expansion into the processing and sale of RCEBN	4.8.4	1,250	6.07	Within 24 months
2. Purchase of raw bird's nests for RUCBN	4.8.5	6,600	32.07	Within 6 months
3. Working capital	4.8.6	2,046	9.94	Within 12 months
4. Estimated listing expenses	4.8.7	3,000	14.58	Within 3 months
Total		20,580	100.00	

There is no minimum subscription in terms of the proceeds to be raised by us from our IPO. Please refer to Section 4.8 (*Use of Proceeds*) of this Prospectus for further details.

Based on the IPO Price, the gross proceeds from the Public Issue of RM20.58 million will accrue entirely to our Company.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Statements of Financial Position as at 31 December 2022 set out in Section 12.12 (*Reporting Accountants' Report on the Compilation of Pro Forma Statements of Financial Position as at 31 December 2022*) of this Prospectus.

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3. PROSPECTUS SUMMARY (CONT'D)**3.11 FINANCIAL HIGHLIGHTS**

The key financial highlights of our historical audited combined and consolidated statements of comprehensive income for FYE 2019 to FYE 2022 are set out below:

	Audited			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Revenue	11,897	44,408	91,556	68,871
Cost of sales	(10,775)	(38,899)	(80,575)	(58,911)
GP	1,122	5,509	10,981	9,960
PBT	235	4,313	8,955	6,047
PAT	187	3,206	6,732	4,322
GP margin ⁽¹⁾ (%)	9.43	12.41	11.99	14.46
PBT margin ⁽²⁾ (%)	1.98	9.71	9.78	8.78
PAT margin ⁽³⁾ (%)	1.57	7.22	7.35	6.28

Notes:

- (1) GP margin is computed based on GP over revenue.
(2) PBT margin is computed based on PBT over revenue.
(3) PAT margin is computed based on PAT over revenue.

Please refer to Section 12.1 (*Historical Financial Information*) of this Prospectus for further details on our historical audited financial information.

3.12 DIVIDEND POLICY

Our Company does not have any formal dividend policy presently. However, it is the intention of our Board to retain adequate reserves for our future growth as well as to reward our shareholders with participation in the profits of our Group.

For the FY Under Review, there were no dividends declared or paid. We also do not intend to pay or declare any dividend prior to our Listing.

The level of dividends should also not be treated as an indication of our Group's future dividend policy. In determining dividends in respect of subsequent financial years, consideration will be given to maximising shareholders' value.

Our ability to declare and pay interim dividends as well as to recommend final dividends are subject to the discretion of our Board. In addition, as an investment holding company, our income, and therefore our ability to pay dividends will depend on the dividends or other distributions that we receive from our Subsidiaries.

There is no dividend restriction being imposed on our Group currently, save for the restrictions that may be imposed under our Group's loan facilities which we may be subject to.

Please refer to Section 12.9 (*Dividend Policy*) of this Prospectus for further details.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application for our Issue Shares will open at 10.00 a.m. on 30 June 2023 and close at 5.00 p.m. on 10 July 2023.

You are to note that any late Application will not be accepted.

4.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following dates:

Event(s)	Tentative Date(s)
Issuance of this Prospectus / Opening of Application	30 June 2023
Closing date of Application	10 July 2023
Balloting of Applications	13 July 2023
Allotment of our Issue Shares to successful applicants	21 July 2023
Listing on the ACE Market	25 July 2023

Should there be any change to the indicative timetable above, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia newspaper within Malaysia and make an announcement of such changes on Bursa Securities' website accordingly.

4.3 DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our Issue Shares are expected to be allocated in the manner described below, subject to the underwriting and placement arrangement as set out in Section 4.3.3 (*Underwriting and Placement Arrangement*) of this Prospectus and clawback and reallocation provisions as set out in Section 4.3.4 (*Clawback and Reallocation of Issue Shares*) of this Prospectus:

IPO details	Note	No. of Issue Shares	Percentage of our enlarged Issued Shares (%) ⁽¹⁾
Public Issue			
Malaysian Public via balloting	(i)	19,300,000	5.00
Eligible Persons	(ii)	18,678,000	4.84
Private placement to selected investors	(iii)	60,022,000	15.55
Total		98,000,000	25.39

Note:

(1) Based on the enlarged issued share capital of 386,000,000 Shares after our IPO.

(i) Malaysian Public via balloting

19,300,000 Issue Shares, representing approximately 5.00% of our enlarged issued share capital will be made available for application by the Malaysian Public by way of balloting as follows:

4. DETAILS OF OUR IPO (CONT'D)

- (a) 9,650,000 Issue Shares, representing approximately 2.50% of our enlarged issued share capital will be made available to the Bumiputera public investors; and
- (b) 9,650,000 Issue Shares, representing approximately 2.50% of our enlarged issued share capital will be made available to the Malaysian Public.

(ii) Eligible Persons

18,678,000 Issue Shares, representing approximately 4.84% of our enlarged issued share capital have been reserved for application by the Eligible Persons under Pink Form Application ("**Pink Form Shares**").

The details of the number of Pink Form Shares are as follows:

Eligible Persons	No. of Eligible Persons	Number of Issue Shares allocated
Directors of our Company	5	1,000,000
Eligible employees of our Group	50	1,268,000
Persons who have contributed to our Group's success	123	16,410,000
Total	178	18,678,000

The criteria for allocation to our Eligible Persons are as follows:

(a) Criteria for allocation to our Directors

The basis and criteria for allocation to our Directors are based on, amongst others, their respective roles and responsibilities and their contribution to our Group. The number of Pink Form Shares to be allocated to our Directors are set out as follows:

Name of Directors	Designation	Number of Issue Shares allocated
Chin Chee Cheah	Non-Independent Executive Director / COO	200,000
Dato' Dr. Rosini Binti Alias	Independent Non-Executive Director	200,000
Dato' Nazipah Binti Jamaludin	Independent Non-Executive Director	200,000
Chin Peck Li	Independent Non-Executive Director	200,000
Goh Wen Ling	Independent Non-Executive Director	200,000
Total		1,000,000

4. DETAILS OF OUR IPO (CONT'D)**(b) Criteria for allocation to our eligible employees**

The basis and criteria for the Pink Form Allocation to our eligible employees of our Group as approved by our Board, is based on the following:

- (i) the eligible employee must be at least 18 years old;
- (ii) the eligible employee must be a full-time confirmed employee and be on the payroll of our Group;
- (iii) seniority and length of service with the Group;
- (iv) level of contribution to our Group; and
- (v) other factors deemed relevant by our Board.

The allocation to our eligible employees includes the allocation to the following key senior management:

Name of the eligible employees	Designation	Number of Issue Shares allocated
Wang Heong Ying	Financial Controller	198,000
Kiew Pei Fang	Head of Production	198,000
Total		396,000

(c) Allocation to persons who have contributed to our Group's success

The allocation to persons who have contributed to our Group's success is based on, among others, the nature and terms of their business relationship with us, their length of business relationship with our Group and the level of contribution and support to the success of our Group. These may include, amongst others, our suppliers, customers and business associates who have contributed to the success of our Group.

(iii) Private placement to selected investors

60,022,000 Issue Shares, representing approximately 15.55% of our enlarged issued share capital will be made available for application by way of private placement to selected investors.

4.3.1 Price stabilisation mechanism

We will not be employing any price stabilisation mechanism (which is in accordance with the Capital Markets and Services (Price Stabilisation Mechanism) Regulations 2008) for our IPO.

4.3.2 Statement by the Board

To the best of our knowledge and belief:

- (i) our Directors intend to subscribe for the Issue Shares through their entitlements for the Pink Form Allocation;
- (ii) our key senior management may be subscribing for the Issue Shares allocated under the Pink Form Allocation; and
- (iii) there is no person who intends to subscribe for more than 5% of our Issue Shares.

4. DETAILS OF OUR IPO (CONT'D)

4.3.3 Underwriting and placement arrangement

Our Sole Underwriter has fully underwritten the following:

- (i) all the 19,300,000 Issue Shares which are to be subscribed by the Malaysian Public; and
- (ii) all the 18,678,000 Issue Shares which are to be subscribed by the Eligible Persons by way of Pink Form Allocation.

Please refer to Section 4.10 (*Details of the Underwriting Agreement*) of this Prospectus for the salient terms of the Underwriting Agreement.

The 60,022,000 Issue Shares which will be allocated by way of placement to be subscribed by selected investors will not be underwritten as irrevocable written undertakings from the respective investors have been or will be obtained by our Sole Placement Agent.

4.3.4 Clawback and reallocation of Issue Shares

Our Issue Shares shall be subject to the following clawback and reallocation provisions:

(i) Malaysian Public via balloting

In the event that there are Issue Shares which are not subscribed by the Malaysian Public, the remaining portion unsubscribed will be made available for application and offered to the selected investors under Section 4.3.4 (iii) (*Private placement to selected investors*) below.

Any further Issue Shares which are not subscribed for after being allocated and offered to the selected investors under Section 4.3.4 (iii) (*Private placement to selected investors*) below, such Issue Shares shall be underwritten by our Sole Underwriter in accordance with the salient terms of the Underwriting Agreement.

(ii) Eligible Persons

Any Pink Form Shares which are not subscribed by any of the Eligible Persons shall be offered to the selected investors under Section 4.3.4 (iii) (*Private placement to selected investors*) below.

Thereafter, any remaining Pink Form Shares which are not subscribed for shall be underwritten by our Sole Underwriter in accordance with the salient terms of the Underwriting Agreement.

(iii) Private placement to selected investors

In the event of under-subscription of the Issue Shares by the selected investors by way of private placement, the remaining unsubscribed portion will be clawed back and reallocated to the Malaysian Public.

The clawback and reallocation provisions will not apply in the event that there is an over-subscription in all of the allocations of our Issue Shares at the closing date of our IPO.

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

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4. DETAILS OF OUR IPO (CONT'D)

4.3.5 Minimum level of subscription

There is no minimum level of subscription in terms of the proceeds to be raised by us for our IPO. However, in order to comply with the public spread requirements of Bursa Securities, we are required to have at least 25% of our total number of issued Shares to be held by a minimum of 200 public shareholders holding not less than 100 Shares each. This is the minimum subscription level in terms of the number of Shares.

We expect to meet the public shareholding 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 on the ACE Market. 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 refunded within 14 days after we become liable to do so, the provision of sub-Section 243(2) of the CMSA shall apply accordingly.

4.4 SHARE CAPITAL

Upon completion of our Listing, our issued share capital shall be as follows:

Details	No of Shares	RM
Issued share capital as at the LPD	288,000,000	10,800,001
Shares to be issued under the Public Issue	98,000,000	20,580,000
Enlarged issued share capital upon Listing	386,000,000	31,380,001
IPO Price		0.21
Market capitalisation upon Listing (based on the IPO Price and enlarged number of issued shares after our Listing)		81,060,000
Pro forma NA per Share (based on the pro forma consolidated statement of financial position as at 31 December 2022 after the Acquisition of MBN Enterprise, Public Issue and the intended use of proceeds)		0.0847 ⁽¹⁾

Note:

(1) *Based on the pro forma NA after our IPO and adjusting for the use of proceeds from our Public Issue of approximately RM20.58 million and the enlarged issued share capital of 386,000,000 Shares after our IPO.*

As at the date of this Prospectus, we have only one class of shares, being the ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing Shares in issue, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Subject to any special rights attaching to any Shares which may be issued by our Company in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of any profits paid out by our Company as dividends and other distributions. In respect of the whole of any surplus in the event of winding up of our Company, such surplus shall be distributed among our shareholders in proportion to the issued share capital paid up, at the commencement of the winding up, in accordance with our Constitution and provisions of the Act.

At any general meeting of our Company, each shareholder shall be entitled to vote (i) in person; (ii) by proxy; (iii) by an attorney; or (iv) by other duly authorised representatives. On a vote by show

4. DETAILS OF OUR IPO (CONT'D)

of hands, each shareholder present in person or by proxy or by attorney or by an authorised representative shall have one (1) vote for each Share held. A proxy may but need not be a shareholder of our Company.

4.5 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined and agreed upon by our Directors, Promoters and Mercury Securities as the Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent after taking into account, amongst others, the following factors:

- (i) the PE Multiple of approximately 18.75 times based on our EPS of 1.12 sen for FYE 2022 which was calculated based on our PAT for FYE 2022 of RM4.32 million after taking into account our enlarged issued share capital of 386,000,000 Shares upon Listing.

Our PAT after adjusting for the Listing expenses incurred in FYE 2022 of RM0.70 million would be RM5.02 million, which translate into an adjusted EPS of 1.30 sen for the FYE 2022 and a PE Multiple of approximately 16.15 times based on our enlarged issued share capital of 386,000,000 Shares upon Listing;

- (ii) our Group's historical financial performance for the past FYE 2019 to FYE 2022 is summarised as follows:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	11,897	44,408	91,556	68,871
GP	1,122	5,509	10,981	9,960
PAT attributable to:				
- Owners of the Company	187	3,206	6,732	4,322
EPS (sen) ⁽¹⁾	0.06	1.11	2.34	1.50

Note:

(1) Calculated based on PAT divided by our issued share capital of 288,000,000 Shares after our Acquisition of MBN Enterprise and before our IPO.

- (iii) our pro forma consolidated NA per Share as at 31 December 2022 and after our IPO is RM0.0847, which was computed based on the following:
- the audited consolidated NA as at 31 December 2022 and after our IPO and subsequent utilisation of IPO proceeds; and
 - our enlarged issued share capital of 386,000,000 Shares upon Listing.
- (iv) our competitive position as set out in Section 7.3 (*Competitive Position*) of this Prospectus;
- (v) our business strategies and future plans as set out in Section 7.23 (*Business Strategies and Future Plans*) of this Prospectus; and
- (vi) the overview and prospects of our industry based on the IMR Report as set out in Section 8 (*Industry Overview*) of this Prospectus.

You should also note that the market price of our Shares upon Listing is subject to the uncertainties of market forces and other factors, which may affect the price of our Shares being traded. You are reminded to consider the risk factors as set out in Section 9 (*Risk Factors*) of this Prospectus before deciding to invest in our Shares.

4. DETAILS OF OUR IPO (CONT'D)**4.6 OBJECTIVES OF OUR LISTING**

The objectives of our Listing are as follows:

- (i) to enhance our Group profile and stature to gain recognition through our Listing status which is expected to enhance our reputation and market credibility and assist us to attract and retain talents;
- (ii) to provide our Group after our Listing with financial flexibility to access the capital market to raise funds for our future business expansion and growth, as and when they arise;
- (iii) to enable our Group to raise funds for the purposes set out in Section 4.8 (*Use of Proceeds*) of this Prospectus; and
- (iv) to provide an opportunity for the Malaysian Public and Eligible Persons to participate in our equity.

4.7 DILUTION**4.7.1 NA per Share**

Dilution is computed as the difference between our IPO Price to be paid by you for our Issue Shares and the pro forma consolidated NA per Share of our Group immediately after our IPO.

The following table illustrates the effect of our Group's pro forma NA for each Share to our shareholders:

	Details	RM
IPO Price	(A)	0.21
Pro forma consolidated NA per Share as at 31 December 2022 before our Public Issue (based on the issued share capital of 288,000,000 Shares after the Acquisition of MBN Enterprise)	(B)	0.0525
Pro forma consolidated NA per Share after our Public Issue and utilisation of IPO proceeds (based on the enlarged issued share capital of 386,000,000 Shares)	(C)	0.0847
Increase in the pro forma consolidated NA per Share attributable to the existing shareholders	(C) – (B)	0.0322
Dilution in the pro forma consolidated NA per Share to new investors	(A) – (C)	0.1253
Dilution in the pro forma consolidated NA per Share to new investors as a percentage of the IPO Price	(A - C)/(A)	59.67%

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4. DETAILS OF OUR IPO (CONT'D)**4.7.2 Effective cost per Share**

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoters, substantial shareholders, Directors and/or key senior management or persons connected to them, or any transaction entered into by them which grants them the right to acquire any of our Shares from the date of our incorporation up to the date of this Prospectus:

<u>Name</u>	<u>No. of Shares held</u>	<u>Total Consideration (RM)</u>	<u>Average effective cash cost per Share (RM)</u>
<u>Promoters, Directors and substantial shareholders</u>			
Lavernt Chen	⁽¹⁾ 129,599,999	4,860,000	0.0375
Lee Wei Kong	43,200,000	1,620,000	0.0375
Liw Chong Liong	43,200,000	1,620,000	0.0375
MLCL Construction	43,200,000	1,620,000	0.0375
Gentle Rainbow	28,800,000	1,080,000	0.0375

Note:

(1) Excluding 1 subscriber's Share in MYMBN acquired by Lavernt Chen on 1 July 2022 at the purchase consideration of RM1.00. Please refer to Section 6.3.1 (Acquisition of MBN Enterprise) of this Prospectus, for further details.

Save for the above and Pink Form Allocations to our eligible Directors and key senior management, there has been no other equity transaction and/or right to acquire any of our Shares by our Directors, Promoters, key senior management, substantial shareholders and/or persons connected with them from the date of our incorporation up to the date of this Prospectus.

4.8 USE OF PROCEEDS

We expect to raise gross proceeds of approximately RM20.58 million from our Listing and will be utilised by our Group in the following manner:

<u>Purposes</u>	<u>Section</u>	<u>RM'000</u>	<u>%</u>	<u>Estimated time frame for use upon Listing</u>
1. Business expansion				
• Purchase of the New Facility to expand processing capacity	4.8.1	2,804	13.63	Within 24 months
• Renovation and fit out works of the New Facility	4.8.2	3,200	15.55	Within 24 months
• Setting up of three (3) bird's nests collection centres in East Malaysia	4.8.3	1,680	8.16	Within 24 months
• Expansion into the processing and sale of RCEBN	4.8.4	1,250	6.07	Within 24 months
2. Purchase of raw bird's nests for RUCBN	4.8.5	6,600	32.07	Within 6 months

4. DETAILS OF OUR IPO (CONT'D)

3. Working capital	4.8.6	2,046	9.94	Within 12 months
4. Estimated listing expenses	4.8.7	3,000	14.58	Within 3 months
Total		20,580	100.00	

As stated above, we intend to use the IPO proceeds to expand our production capacity for RUCBN and venture downstream into processing and sale of RCEBN.

Further details of the utilisation are set out below whilst our business strategies and future plans relating to these plans are set out in Section 7.23 (*Business Strategies and Future Plans*) of this Prospectus.

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds in interest-bearing accounts with licensed financial institutions or short-term money market instruments.

4.8.1 Purchase of the New Facility to expand processing capacity

We intend to allocate RM2.80 million, or 13.63% of the funds raised from the IPO proceeds for this purpose and we expect the plan to be implemented within twenty-four (24) months from the date of Listing.

Details	RM'000
Acquisition of the New Facility	2,664 ⁽¹⁾
Estimated legal fees, stamping fees and other related costs	140
Total	2,804

Note:

(1) Less the deposit of RM296,000, a sum equivalent to 10.00% of the agreed purchase price of RM2.96 million, paid to Koperasi Polis on 29 April 2022.

Presently, our Group is focusing on the processing and sale of RUCBN. It is our Group's business strategies and future plans to leverage on our core competencies in processing and sale of RUCBN that we gained over the past years to:

- (i) further strengthen our foothold and expand our market share in the sales of RUCBN to customers based in the PRC;
- (ii) penetrate into the RUCBN market in Vietnam; and
- (iii) expansion of business into HALAL ready-to-drink bird's nest products.

The New Facility to be acquired has a total built-up area of 25,344 sq. feet and is adjoining to our existing Headquarter and processing facility. The New Facility is also strategically located to provide us the required processing and operational efficiency, security management and cost optimisation.

As at the LPD, our capacity utilisation of our processing facility has reached 72.80%, the purchase of the New Facility is critical for the execution of our business strategies and future plans, in order to enhance our value creation process, as the present layout of our existing processing facility is not optimal. The New Facility with the expanded area will enable us to change our layout and improve our workflow thereby creating greater efficiency. At the same time, the New Facility will also result in greater cost optimisation by enabling further business expansion. Further details of our business strategies and future plan for the New Facility are set out in Section 7.23.1 (*Expanding our Headquarter and processing facility*) of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

Our wholly-owned subsidiary company, MBN Enterprise has executed the SPA and paid a deposit sum of RM296,000 which is equivalent to 10.00% of the agreed purchase price of RM2.96 million to Koperasi Polis on 29 April 2022, which is funded by our internally generated fund. On 26 April 2023, we have obtained the State Consent for the transfer of the New Facility from Koperasi Polis to MBN Enterprise. The remaining RM2.66 million or 90.00% of the agreed purchase price will be funded from the IPO proceeds and the acquisition of the New Facility is expected to be completed by 2nd half of 2023.

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds into interest-bearing accounts with licensed financial institutions or short-term money market instruments.

4.8.2 Renovation and fit out works of the New Facility

We intend to allocate RM3.20 million or 15.55% of the funds raised from the IPO proceeds for the renovation and fit out works of the New Facility and we expect the plan to be implemented within twenty-four (24) months from the date of Listing.

The New Facility was previously used for hotel operations prior to the cessation of its business and as such, renovation and fit out works are required to be undertaken on the New Facility. The renovation and fit out works are required to be in compliance with the food safety assessment and accreditation requirements by DVS and MOH, which include VHM Certificate, HACCP (for HALAL ready-to-drink bird's nest products), GMP Certificate and MeSTI certificate. Prior to obtaining the approvals for the food safety assessment and accreditation, the renovation and fit out works to be undertaken on the New Facility shall be subject to the approval from Melaka Historic City Council that the New Facility is fit to be used as our processing facility for RUCBN.

With the renovation and fit out works of the New Facility, it will support us to facilitate a greater processing volume of RUCBN to customers based in the PRC and our expansion into Vietnam, as well as the expansion of business into HALAL ready-to-drink bird's nest products.

The details of our renovation and fit out works of the New Facility are as follows:

Details	Description	Estimated RM'000⁽¹⁾
Renovation	Renovation to include amongst others, demolition works and architectural fees.	1,743
Fit out works	Interior design and other construction works, such as plumbing, mechanical and electrical, installation of lift and cold room and upgrading of fire protection system.	827
Related furniture and fittings	Inclusive of air conditioners, furniture and fittings, such as vinyl sheet, kitchen equipment, office equipment and other related items.	630
Total		3,200

Note:

(1) *Estimations based on preliminary quotation provided by a contractor.*

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds into interest-bearing accounts with licensed financial institutions or short-term money market instruments.

In the event that the actual proceeds utilised for the renovation and fit out works of the New Facility purchased are lower than the allocation of RM3.20 million, the excess will be allocated to working capital purposes. However, if the actual costs of renovation and fit out works for the New Facility are higher than the estimated amount as set out above, the shortfall will be funded by our internally generated funds and/or bank borrowings.

4. DETAILS OF OUR IPO (CONT'D)

4.8.3 Setting-up of three (3) bird's nests collection centres in East Malaysia

We intend to allocate RM1.68 million or 8.16% of the IPO proceeds to finance the renovation costs and twenty-four (24) months of operating expenses required for the business operations of the bird's nests collection centres and we expect the plan to be implemented within twenty-four (24) months from the date of Listing.

During the FYE 2022, we sourced our raw bird's nests for our processing from various sources, which include local bird's nest farmers, traders and agents located throughout Malaysia, of which 96.59% are derived from West Malaysia. In order to comply with the food safety and biosecurity requirements by DVS and GACC, we source all our raw bird's nests from our Approved Suppliers who obtained swiftlet houses with identification registration and myGAP certification from DVS. As at the LPD, we have 18 Approved Suppliers with 224 swiftlet houses from whom we source our raw bird's nest.

The demand for EBN has been increasing over the years, particularly in the PRC, Malaysia's largest EBN export destination, and has accounted for around 60.00% of Malaysian EBN exports. Along with the PRC, demand for EBN from Vietnam is expected to increase in tandem with a rapidly rising middle-income class and increase in disposable income (source: IMR Report). East Malaysia has more than 450, or over 20% of the swiftlet houses with identification registrations and myGAP certification from DVS, these represent a substantial source of raw bird's nests in Malaysia. Hence, we intend to expand our sourcing and purchasing of raw bird's nests to East Malaysia by setting up three (3) new bird's nests collection centres in Tawau, Sabah and Kuching and Sibu, Sarawak. These centres will enable our Group to increase our physical presence in East Malaysia, where we would be able to source for additional raw bird's nests, in order for our Group to expand our market share in the sales of RUCEBN in PRC and to penetrate into the RUCEBN market in Vietnam. On 4 April 2023, MBN International had successfully made its first RUCEBN sale to Vietnam.

As at the LPD, we have a bird's nests collection centre located at Kota Kinabalu, Sabah. We have commenced the business operation in November 2022 and have hired one (1) employee in December 2022. We expect to hire another two (2) employees by 3rd quarter of 2023. On 17 November 2022, we had conducted the first trial shipment of raw bird's nest from Kota Kinabalu, Sabah and received the shipment on 21 November 2022.

As we also intend to venture into the processing and sale of RCEBN, which is another type of EBN product, where the raw bird's nests are subjected to more comprehensive and tedious handling and cleaning process to reduce the biosecurity risks for importing country, i.e. the PRC as compared to processing of RUCEBN. Setting up of the bird's nests collection centres will enable our Group to access to a larger pool of suppliers for raw bird's nests in anticipating of the higher demand for EBN.

The details of setting up of the three (3) bird's nests collection centres in East Malaysia are as follows:-

Details	Estimated cost RM'000
Rental of premises	200
Employee salaries and related expenses	600
Renovation and purchase of office equipment, furniture and fixture	400
Other general and administration expenses	480
Total	1,680

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds in interest-bearing accounts with licensed financial institutions or short-term money market instruments.

4. DETAILS OF OUR IPO (CONT'D)

In the event that the actual proceeds utilised for the setting up of three (3) bird's nests collection centres in East Malaysia are lower than the allocation of RM1.68 million, the excess will be used for working capital purposes. However, if the actual costs of renovation and twenty-four (24) months operating expenses required for the business operations of the three (3) bird's nests collection centres are higher than the estimated amount as set out above, the shortfall will be funded by our internally generated funds and/or bank borrowings.

4.8.4 Expansion into the processing and sale of RCEBN

We intend to allocate RM1.25 million or 6.07% of the funds raised from the IPO proceeds for expansion into the processing and sale of RCEBN and we expect the plan to be implemented within twenty-four (24) months from the date of Listing.

The details of our cost for the expansion into the processing and sale of RCEBN are as follows:-

Details	RM'000
1. Acquisition cost of RCEBN processing company in the PRC	250 ⁽¹⁾
2. Estimated legal fees and other related costs	91
3. Estimated operating expenses for twenty-four (24) months	
• Rental of factory	118
• Employee salaries and related expenses	747
• Utility expenses (electrical, water and internet)	21
• Other general and administration expenses	23
Total	1,250

Note:

(1) Represents the remaining purchase consideration after excluding the refundable deposit of RMB154,000 (equivalent to RM100,000 based on the agreed exchange rate of RMB1:RM0.6494), paid to the vendor for the acquisition of the RCEBN processing company.

Presently, we are mainly focusing on the processing and sale of RUCBN to customers based in the PRC. Our Group intends to expand the type of products we offer by venturing into the processing and sale of RCEBN, which is another type of EBN product where the bird's nests are subjected to more comprehensive and tedious handling and cleaning process to reduce the biosecurity risks for importing country, i.e. the PRC as compared to processing of RUCBN. The venture into the processing and sale of RCEBN is a natural extension of our existing product offerings and will provide a new revenue stream for our Group.

For this purpose, we have on 9 May 2023 executed the Equity Transfer Agreement with Zhang Dan, the vendor of Guangxi Nan Yang, a RCEBN processing company in the PRC, to acquire 80.00% equity interest in the said company at the purchase consideration of RMB540,000 (equivalent to approximately RM0.35 million). The proposed acquisition will fast track our expansion into processing and sale of RCEBN, as we will be able to leverage on Guangxi Nan Yang's existing processing expertise and facilities. At the same time, our Group will also be able to participate directly in the fast-growing EBN industry in the PRC, thereby reducing our reliance on other approved importers. We have on 14 July 2022 paid a refundable deposit of RMB154,000 (equivalent to RM100,000 based on the agreed exchange rate of RMB1:RM0.6494) to the vendor via internally generated funds. The remaining balance purchase consideration of RMB386,000 (equivalent to approximately RM0.25 million) shall be paid by using IPO proceeds raised. The acquisition of the said company is currently pending the registration of the equity transfer and changes in equity interest as well as completion of the handover of the management rights of Guangxi Nan Yang to MYMBN and is expected to be completed in the 2nd half of 2023.

However, in the event that the acquisition of Guangxi Nan Yang fails to materialise, we will proceed to identify another suitable PRC's company for acquisition. Otherwise, we could potentially venture into the processing of RCEBN in a new subsidiary to be incorporated by our Company and the new RCEBN processing facilities to be set up in the New Facility.

4. DETAILS OF OUR IPO (CONT'D)

For additional information, within 14 days from the date of completion of the registration of the equity transfer and changes in equity interest as well as completion of the handover of the management rights of Guangxi Nan Yang to MYMBN, MYMBN shall contribute a sum of RMB1,000,000.00 (equivalent to approximately RM0.65 million) into Guangxi Nan Yang as MYMBN's capital contribution in share capital of Guangxi Nan Yang. The said capital contribution will be funded by our internally generated funds.

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds in interest-bearing accounts with licensed financial institutions or short-term money market instruments.

In the event that the actual proceeds utilised for the diversification into processing of RCEBN are lower than the allocation of RM1.25 million, the excess will be allocated for working capital purposes. However, if the actual cost of acquisition and twenty-four (24) months of operating expenses required for the processing of RCEBN are higher than the estimated amount as set out above, the shortfall will be funded by internally generated funds and/or bank borrowings.

4.8.5 Purchase of Raw Bird's Nest for RUCBN

We intend to allocate RM6.60 million or 32.07% of the funds raised from the IPO proceeds for the purchase of raw bird's nest for RUCBN and is expected to be implemented within six (6) months from the date of Listing.

According to the IMR Report, the demand for EBN has been increasing over the years, particularly in the PRC. Traditionally, demand for EBN in the PRC was mainly in coastal provinces such as Guangdong and Fujian. Currently, consumers in landlocked areas such as Chengdu, Inner Mongolia and Anhui, PRC have also been increasing consumption of EBN. The growing middle-income class in the PRC is making EBN more affordable to a larger pool of consumers. Aside from that, the growing affluence of consumers has also bolstered demand for EBN.

The best-known use of EBN was as a Chinese delicacy, known as bird's nest soup. It is believed that EBN can stimulate cell division and growth, hasten tissue regeneration and boost the immune system. There has been an increasing trend in health awareness among consumers, as more consumers are becoming aware of the benefits of consuming EBN, the demand for EBN is expected to grow moving forward.

In order to meet the increasing demand for EBN, we intend to utilise RM6.60 million of the IPO proceeds to finance the additional purchases of raw bird's nests.

While pending utilisation of the IPO proceed raised, we will place the IPO proceeds into interest-bearing accounts with licensed financial institutions or short-term money market instruments.

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4. DETAILS OF OUR IPO (CONT'D)**4.8.6 Working capital**

Our Group's working capital requirements are expected to increase in tandem with the expected growth in our RUCBN business. We intend to allocate RM2.05 million or 9.94% of the funds raised from the IPO proceeds, to be used to supplement our general working capital purposes over twelve (12) months from the date of Listing.

Our general working capital includes payment of administration and operating expenses as follows:

Details	Estimated RM'000
Payment of our Group's staff related expenses and other statutory contributions and payments	1,023
Payment of utility expenses and all other administration and operation related expenses	1,023
Total	2,046

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds into interest-bearing accounts with licensed financial institutions or short-term money market instruments.

If the actual twelve (12) months general working capital required for our RUCBN business is higher than the allocated proceeds from our IPO as set out above, the shortfall will be funded by our internally generated funds and/or bank borrowings.

4.8.7 Estimated listing expenses

We intend to allocate RM3.00 million or 14.58% of the funds raised from the IPO proceeds for defraying the estimated listing expenses for our Listing and is expected to be utilised within three (3) months from the date of Listing.

The details of our estimated listing expenses are as follows:-

Details	Estimated RM'000
Professional fees ⁽¹⁾	1,648
Brokerage, underwriting and placement fees	611
Fees payable to authorities	68
Fees and expenses for printing and advertising	350
Miscellaneous expenses and contingencies ⁽²⁾	323
Total	3,000

Notes:

(1) Includes professional and advisory fees for, amongst others, Principal Adviser, Due Diligence Solicitors for our IPO and our Group, Auditors and Reporting Accountants, ICR, and IMR.

(2) Other incidental or related expenses in connection with the IPO, which include Share Registrar, Issuing House, translators, media related expenses and IPO event expenses.

Pending the receipt of the IPO proceeds, we may utilise our internally generated funds for the listing expenses. When the IPO proceeds which have been allocated for the listing expenses are received, we will use the IPO proceeds allocated to replenish our working capital.

4. DETAILS OF OUR IPO (CONT'D)

4.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEES

4.9.1 Underwriting commission

We have entered into the Underwriting Agreement with the Sole Underwriter to underwrite 37,978,000 Issue Shares which are available for application by the Malaysian Public and our Eligible Person ("**Underwritten Shares**").

We will pay an underwriting commission at the rate of up to 2.50% of the value of Underwritten Shares based on the IPO Price to our Sole Underwriter.

4.9.2 Brokerage fee

We will pay the brokerage fee in respect of our Issue Shares, at the rate of up to 1.00% of our IPO Price in respect of all successful applications which bear the stamp of either Mercury Securities, other participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/ or the Issuing House.

4.9.3 Placement fee

We will pay the Sole Placement Agent, a placement fee at the rate of up to 2.20% of the value of 60,022,000 Issue Shares reserved for selected investors based on the IPO Price.

4.10 DETAILS OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, our Sole Underwriter has agreed to underwrite the Underwritten Shares subject to the terms and conditions as set out in the Underwriting Agreement.

4.10.1 Obligations of the Sole Underwriter

The obligations of our Sole Underwriter under the Underwriting Agreement are conditional upon the following:-

- (a) our Sole Underwriter receiving the certificate in the form or substantially prescribed in the Underwriting Agreement, one dated the date of registration of the Prospectus and the other dated the Closing Date⁽¹⁾, both of which are to be signed by a director of our Company (on behalf of our Board) stating that, to the best of his/her knowledge and belief, after having made all reasonable enquiries with the Directors and management of our Company, there has been no such change, development or occurrence in the representations, warranties and undertakings as set out in the Underwriting Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of the Prospectus and Closing Date respectively that:
 - (i) there is no occurrence of any change or any development likely to result in a prospective change in the financial position, business operations or conditions (financial or otherwise) of our Group taken as a whole and from that set out in the Prospectus which would have or is likely to have a material adverse effect, amongst other, on the condition (financial or otherwise), contractual commitments, general affairs, Board, management, business, assets, liquidity, liabilities, prospects, earnings, shareholders' equity, business undertakings, properties or results of operations of our Company and/or the Group, or the ability of our Company to perform in any respect its obligations under or with respect to, or to consummate the transactions contemplated by the Prospectus or the Underwriting Agreement; or the ability of the Company and/or the Group to conduct its businesses ("**Material Adverse Effect**");
 - (ii) there is no occurrence of any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings set out in the Underwriting Agreement to be untrue or inaccurate, misleading or incorrect, not complied with, failure to be performed in any respect or result in a breach of the

4. DETAILS OF OUR IPO (CONT'D)

Underwriting Agreement by our Company;

- (iii) there is no occurrence of any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or fiscal or economic conditions or exchange control or currency exchange rates which in the opinion of our Sole Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day, on or after the date of the Underwriting Agreement and prior to the Closing Date, lower than 90% of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (iv) there is no breach by our Company of any of its obligations under the approval granted for the Listing and Underwriting Agreement;
- (v) all undertakings, representations, warranties and covenants of our Company under the Underwriting Agreement has been complied with and not breached; and
- (vi) our Company has satisfied all the conditions as stated above.

Note:

(1) For the purpose of the Underwriting Agreement, "Closing Date" refers the last date for acceptance, application for the payment of the subscription moneys in respect of the Issue Shares in accordance with the Prospectus, which shall not be more than 2 months from the date of the Underwriting Agreement and subject to extension as provided under the Underwriting Agreement.

- (b) the Underwriting Agreement being signed by the relevant authorised signatories to the Underwriting Agreement and stamped within the statutory time frame;
- (c) the Prospectus being in the form and substance satisfactory to our Sole Underwriter;
- (d) the issue of the Prospectus not later than one (1) month from the date of the Underwriting Agreement or such later date as our Sole Underwriter and our Company may from time to time agree in writing;
- (e) the registration of the Prospectus and such other documents as may be required in accordance with the CMSA and the Act in relation to the IPO with Bursa Securities and its lodgement with the Registrar of Companies of Malaysia by the Issue Date;
- (f) all necessary approvals including, but not limited to, the approvals as set out in the Underwriting Agreement remaining in full force and effect including the Trading Date⁽²⁾ and that all conditions to the approvals (except for any which can only be complied with after the IPO has been completed) have been complied with;

Note:

(2) The date of listing of and quotation of our entire Shares of our Company on the Official List of the ACE Market

- (g) the approval of Bursa Securities for the admission of our Company to the Official List and the Listing being obtained on terms acceptable to our Sole Underwriter and the approvals of Bursa Securities and all such approvals stated in the Underwriting Agreement remaining in full force and effect and that all conditions (except for any which can only be complied with after the IPO has been completed) have been complied with to our Underwriter's reasonable satisfaction;

4. DETAILS OF OUR IPO (CONT'D)

- (h) our Sole Underwriter being satisfied that our Company will, following completion of the Listing, be admitted to the Official List and its enlarged Shares quoted on the ACE Market no later than two (2) months from the date of the Underwriting Agreement unless mutually agreed to in writing by the parties;
- (i) our Sole Underwriter receiving a copy duly certified by a director or secretary of our Company to be a true and accurate copy and in full force and effect, of a resolution of the Directors:
- approving this Prospectus (including a confirmation that the Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus), the Underwriting Agreement and the transactions contemplated by it;
 - authorising the issuance of this Prospectus;
 - authorising a Director to sign and deliver the Underwriting Agreement on behalf of our Company;
 - approving the IPO and the Listing and the transactions contemplated by each of the same; and
 - approving the allotment and issue of the Issue Shares under the IPO.
- (j) all the resolutions referred to in sub-section (j) above remaining in full force and effect as at the Closing Date and none having been rescinded or revoked or varied;
- (k) the IPO and/or the Listing not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the IPO and/or the Listing have been obtained and are in force up to and including the Trading Date;
- (l) our Company and/or any of our Subsidiaries does not have any actual or contingent liability under applicable laws or regulations concerning human health and safety, pollution or protection of the environment or in relation to any interest in land which would have a material effect on the IPO and/or the Listing;
- (m) our Sole Underwriter being satisfied that our Company has complied with and that the IPO and the Listing is in compliance with the policies, guidelines and requirements of the Bursa Securities, SC and all other applicable securities laws and regulations, including all revisions, amendments and/or supplements to it;
- (n) there being no occurrence of any event which occurs after the date of the Underwriting Agreement up to and including the Trading Date;
- (o) there not having occurred on or prior to the Trading Date any breach of and/or failure to perform any of the undertakings by our Company contained in the Underwriting Agreement;
- (p) there not being any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the Listing or in connection with our Group which is still subsisting or unresolved to the satisfaction of our Sole Underwriter;
- (q) there having been, as at Closing Date, no registration or lodgement of any amendment, supplement, or replacement to the Prospectus with Bursa Securities or the Registrar of Companies of Malaysia without the prior written approval of the Sole Underwriter;
- (r) the obligations of our Sole Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares not being prohibited by any statute, order, external rule, directive or regulation amended, supplemented or introduced after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority in Malaysia at any time on or before the Trading Date; and
- (s) our Sole Underwriter being satisfied with the arrangements of our Company to pay the expenses as set out in the Underwriting Agreement.

4. DETAILS OF OUR IPO (CONT'D)

4.10.2 Termination of the Underwriting Agreement

Notwithstanding anything contained in the Underwriting Agreement, our Sole Underwriter may at its sole and absolute discretion terminate the Underwriting Agreement and withdraw its obligations upon the occurrence of any of the following:

- (a) there is any breach by our Company of any of the representations, warranties or undertakings as set out in the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement; or
- (b) there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement; or
- (c) there is withholding of information from our Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Sole Underwriter, would have or can reasonably be expected to have, a Material Adverse Effect on the business or operations of our Group, the success of the IPO, or the distribution or sale of the Shares issued or offered under the IPO; or
- (d) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Group; or
- (e) the closing date of the application of the Issue Shares does not occur within three (3) months from the date of the Underwriting Agreement, subject to the extension of the Closing Date which is approved by our Underwriter in consultation with Bursa Securities and/or the SC; or
- (f) the occurrence of any force majeure event or any event or series of events beyond the reasonable control of our Underwriter including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), pandemic, epidemic, acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock outs, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents which would have or can reasonably be expected to have a Material Adverse Effect or which has or is likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance with its terms or which prevents the processing of applications and/or payments pursuant to the IPO or pursuant to the underwriting of the Underwritten Shares; or
- (g) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or fiscal or economic conditions or exchange control or currency exchange rates which in the opinion of our Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the Index is at the close of normal trading on Bursa Securities, on any Market Day, on or after the date of the Underwriting Agreement and prior to the Closing Date, lower than 90% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition; or
- (h) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities which has/likely to have Material Adverse Effect on our Group and/or materially prejudice the business or the operations of our Group, the success of the IPO, or the Listing or market conditions generally or which has or is likely to have the effect of making the Underwriting Agreement incapable of performance in accordance with its terms; or
- (i) any imposition of moratorium, suspension or material restriction on trading of securities on Bursa Securities; or

4. DETAILS OF OUR IPO (CONT'D)

- (j) any government requisition or occurrence of any other nature which would have or is likely to have a Material Adverse Effect on the business, operations and/or financial position or prospects of our Group or the success of the IPO; or
- (k) the Public Issue is stopped or delayed by our Company, the Selling Shareholder or any relevant authorities for any reason whatsoever (unless such delay has been approved by our Sole Underwriter); or
- (l) any commencement of legal proceedings or action against any member of our Group, which in the opinion of our Sole Underwriter, would have or is likely to have a Material Adverse Effect or make it impracticable to market the IPO or to enforce contracts to allot the Shares; or
- (m) any one of the White Application Form, Pink Application Form and this Prospectus (i) having been terminated or rescinded in accordance with its terms; (ii) ceased to have any effect whatsoever, or (iii) varied or supplemented upon terms and such variation or supplementation would have or likely to have a Material Adverse Effect; or
- (n) any of the resolutions or approvals referred to in Section 4.10.1(i) of this Prospectus is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have or is likely to have a Material Adverse Effect; or
- (o) if Bursa Securities, the SC or any other relevant authority issues an order pursuant to any Malaysian law such as to make it impracticable to market the IPO or to allot and/or transfer the Issue Shares; or
- (p) any other event in which a Material Adverse Effect has occurred or which in the opinion of our Underwriter is likely to occur; or
- (q) if the obligations of our Sole Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares is or becomes prohibited by any statute, order, rule, directive or regulation amended, supplemented or introduced after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority of any jurisdiction; or
- (r) in the event that the Listing is withdrawn or not procured or procured but subject to conditions not acceptable to our Underwriter or does not take place within two (2) months from the date of the Underwriting Agreement or such other extended date as may be agreed in writing by our Underwriter in consultation with Bursa Securities and/or the SC.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

Our Promoters' and substantial shareholders' shareholdings in our Company before and after our IPO are as follows:

Name	Place of Incorporation / Nationality	Before our IPO / As at the LPD		After our IPO	
		Direct	Indirect	Direct	Indirect
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
Promoters and Substantial Shareholders					
Lavern Chen	Malaysian	129,600,000	45.00	-	-
Lee Wei Kong	Malaysian	43,200,000	15.00	-	-
Liw Chong Liong	Malaysian	43,200,000	15.00	43,200,000	11.19 ⁽³⁾
MLCL Construction	Malaysia	43,200,000	15.00	-	-
Gentle Rainbow	Malaysia	28,800,000	10.00	-	-
Substantial Shareholders					
Hsu, Lan-Yen	Taiwanese	-	-	43,200,000	11.19 ⁽⁴⁾
Hew Hong Thee	Malaysian	-	-	158,400,000	41.04 ⁽⁵⁾
Fong Chew Chung	Malaysian	-	-	28,800,000	7.46 ⁽⁶⁾

Notes:

(1) Based on our issued share capital of 288,000,000 Shares before our IPO.

(2) Based on our enlarged issued share capital of 386,000,000 Shares after our IPO.

(3) Deemed interested by virtue of his shareholdings in MLCL Construction pursuant to Section 8(4) of the Act.

(4) Deemed interested by virtue of her shareholdings in MLCL Construction pursuant to Section 8(4) of the Act.

(5) Deemed interested by virtue of her shareholdings in Gentle Rainbow and her son, Lavern Chen's shareholding in our Company pursuant to Section 8(4) of the Act.

(6) Deemed interested by virtue of his shareholdings in Gentle Rainbow pursuant to Section 8(4) of the Act.

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

5.1.2 Profiles of our Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) **Liw Chong Liong**

Liw Chong Liong, a Malaysian male aged 62 is the Promoter, substantial shareholder and Non-Independent Non-Executive Chairman of our Company. He was appointed to our Board on 1 July 2022. He is also our non-executive director of MBN Enterprise.

Liw Chong Liong graduated with a Diploma in Technology (Building) in 1984 from Tunku Abdul Rahman College, Kuala Lumpur Main Campus (now known as Tunku Abdul Rahman University College).

After his graduation, he commenced his career in 1984 by joining a construction company known as Yusoff and Saw (Partnership) as a site coordinator.

Subsequently, in 1986, he left his first job and joined Modular-Puolimatka Sdn Bhd, another construction company as a site coordinator. He was mainly responsible for coordinating of construction project until its completion in 1987.

From 1987 to 1990, he worked at Alpine Development Sdn Bhd as project manager, and was responsible for managing the construction projects.

From 1990 onwards, Liw Chong Liong decided to venture into construction industry by setting up his first partnership company known as Finecon Building Construction which had subsequently ceased operation in 2011. He also started his other partnership company known as L C L Construction in 1994 to undertake the construction work, where the partnership was subsequently terminated in 1999. In 1997, he incorporated MLCL Construction in 1997 with principal activities as general contractors. MLCL Construction is our Promoter and substantial shareholder. In MLCL Construction, he oversees the overall management of housing projects including tendering of the projects, site management and managing the company's financial, which he assumed such roles until present.

In 2005, he ventured into swiftlet farming business through a company known as Little Concord (M) Sdn Bhd, where he oversees the business operations of the company until present.

In 2006, he joined Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*) as a member until present.

In November 2012, Liw Chong Liong and his business partner, Lee Keng Lip acquired MBN Enterprise's (then known as Zaman Kuala Sdn Bhd) shares with the intention of venturing into property development and land acquisition activities which the plans did not materialise. Hence, the company remained dormant from 2012 until 2016. In 2016, Liw Chong Liong approached Lee Wei Kong and Lavernt Chen to join MBN Enterprise to venture into the business of exporting RUCEBN.

Liw Chong Liong was the Vice President of Federation of Malaysia Bird's Nest Merchants Association (*Persekutuan Persatuan Pedagang Sarang Burung Malaysia*) from 2014 to 2018 and President of Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*) from 2012 to 2017. In 2021, he was appointed as an adviser to Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*) where he was involved in advising the association on matters relating to the bird's nest industry.

In addition, in 2015, he and Lavernt Chen participated as project committee members to develop the CoVP for the RUCEBN industry established by SIRIM Berhad among others, to provide guidelines on compliance in respect of the EBN harvested from caves and ranches

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

including but not limited to sorting, pre-cleaning, drying, grading, trimming, weighing and packaging. The CoVP was adopted in the same year.

Save for his interest in MLCL Construction, he does not have any family relationship with any of our Promoters, Directors, substantial shareholders and/or key senior management.

Liw Chong Liong's other principal directorships and involvement in other corporations are disclosed in Section 5.2.1.1.(i) (*Principal directorships or principal business activities outside our Group*) of this Prospectus.

(ii) Lavernt Chen

Lavernt Chen, a Malaysian male aged 44, is the Promoter, substantial shareholder, Specified Shareholder and Non-Independent Executive Director / CEO of our Company. He was appointed to our Board on 1 July 2022. He is also a Director of MBN Enterprise and MBN International.

Lavernt Chen brings to the Group over 20 years of experience in the bird's nest industry. As our Non-Independent Executive Director / CEO, he spearheads the Group's daily operations and develops strategic directions of the Group.

In 1998, Lavernt Chen completed his studies in Foundation Studies at the Science in Royal Melbourne Institute of Technology ("**RMIT**"). He was then admitted to RMIT to continue with Aerospace Engineering and Business Administration programme from 1998 to 2003. In 2003, he was posted for an internship at Siemens AG for an engineering course. Upon completion of his internship at Siemens AG in 2004, he decided to return to Malaysia to pursue his family business.

Lavernt Chen's experience in the bird's nest industry could be traced back to 2004 when he was exposed to the bird's nest industry and activities under his family business where he was tasked with managing bird's nest houses including maintaining the bird's nest houses, trading of the bird's nest and processing and packaging of the bird's nest products.

In 2010, he was part of the working group member in the establishment of the GMP Process for Processing of Raw-Unclean and Raw-Clean Edible Birdnest (MS 2333:2010) for Standards Malaysia, which provides the guideline for the EBN processors for the production of quality and safe RUCEBN and RCEBN for human consumption.

In the same year, he also participated as a member of the working group to establish the EBN Specifications (MS 2334:2011) for Standards Malaysia, which prescribes the requirements for the grading of RUCEBN and RCEBN.

In 2012, he left his family business to focus on his own business involving in trading of bird's nest through CVW Ventures, in which he was a director and shareholder of the company from 2005 until his resignation as a director and disposal of his entire shareholding to a non-related party in December 2021. During his tenure in CVW Ventures, he was responsible for managing and overseeing the trading of EBN in Malaysia, Vietnam, Indonesia, Singapore and Hong Kong, where he gained vast experience in trading of bird's nest in the respective countries.

In 2015, together with Liw Chong Liong, he participated as a project committee member to develop the CoVP for RUCEBN industry established by SIRIM Berhad among others, to provide guidelines for compliance in respect of the EBN harvested from caves and ranches including but not limited to sorting, pre-cleaning, drying, grading, trimming, weighing and packaging. The CoVP was adopted in the same year.

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

In December 2016, Lavernt Chen was approached by Liw Chong Liong to venture into the business of exporting RUCEBN to PRC and he joined MBN Enterprise as a Director where he holds such position until present.

In 2017, he (through CVW Ventures), together with other Promoters, subscribed to MBN Enterprise's shares with the intention to commence the RUCEBN trading business in Malaysia and exportation of RUCEBN to Hong Kong by establishing RUCEBN processing centre in Unit 17 and Unit 19.

In 2018, he was appointed as the President of Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*) until present. He was also the Vice President of the Federation of Malaysia Bird's Nest Merchants Association (*Persekutuan Persatuan Pedagang Sarang Burung Malaysia*) from 2017 to 2018. Thereafter in 2018, he held the position as the Secretary of the association until June 2022. He was then subsequently appointed as the Vice President of the association until present.

Save for his relationship with Hew Hong Thee, who is a substantial shareholder of Gentle Rainbow and the mother of Lavernt Chen, he does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

Lavernt Chen's other principal directorships and involvement in other corporations as disclosed in Section 5.2.1.1.(ii) (*Principal directorships or principal business activities outside our Group*) of this Prospectus.

(iii) Lee Wei Kong

Lee Wei Kong, a Malaysian male aged 56, is the Promoter, substantial shareholder and Non-Independent Non-Executive Director of our Company. He was appointed to our Board on 1 July 2022. He is also our non-executive director of MBN Enterprise.

Lee Wei Kong brings to our Board approximately 15 years of experience in the bird's nest industry. He graduated with a Bachelor of Science in Business Administration majoring in Finance from Southeast Missouri State University in 1989.

In 1990, Lee Wei Kong returned to Malaysia from the United States of America for a short break and soon after commenced his career as a remisier in Syarikat Tan Chow & Loh in 1991 until his resignation in July 2006. Subsequently in the same month, he joined CIMB Bank Berhad as a remisier, until 2019.

In 2007, he and his friends ventured into swiftlet farming. From these ventures, he was exposed to the bird's nest industry, where he gained knowledge of setting up and managing bird's nest houses, as well as established business networks and contacts within the bird's nest industry.

In 2015, Lee Wei Kong is appointed as the Vice President of Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*) until present.

In 2016, he was approached by Liw Chong Liong to join MBN Enterprise to venture into the business of exporting RUCEBN.

In 2019, he resigned as a remisier from CIMB Bank Berhad and decided to focus on his own business involving in swiftlet farming until present. He is primarily involved in managing and monitoring the swiftlet houses.

Lee Wei Kong does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

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

Lee Wei Kong's other principal directorships and involvement in other corporations are disclosed in Section 5.2.1.1.(iv) (*Principal directorships or principal business activities outside our Group*) of this Prospectus.

(iv) Hsu, Lan-Yen

Hsu, Lan-Yen, a Taiwanese with Malaysian Permanent Residency, female aged 64, is our substantial shareholder by virtue of her shareholdings held in MLCL Construction.

As at the LPD, she holds 27.00% in MLCL Construction and she is a passive investor in MLCL Construction, in which the details are shown in Section 5.1.2 (vii) (*Profiles of our Promoters and substantial shareholders*) of this Prospectus.

In 1982, she graduated from Tamkang University, New Taipei City, Taiwan with Bachelor of Arts majoring in Japanese Language (formerly known as Eastern Language). In 1983, she left Taiwan and moved to Malaysia after her marriage in the same year. Since then, she has been focusing on her family.

She is currently a director of Crescent Summit Sdn Bhd, a company that is principally involved in property investment.

Save for her shareholding in MLCL Construction and directorship in Crescent Summit Sdn Bhd, she does not hold any other directorships or shareholdings in other companies.

She does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

(v) Hew Hong Thee

Hew Hong Thee, a Malaysian and a Singapore Permanent Resident, female aged 66, is our substantial shareholder by virtue of her shareholdings in Gentle Rainbow which the details are shown in Section 5.1.2 (viii) (*Profiles of our Promoters and substantial shareholders*) of this Prospectus. She is a passive investor and holds 30.00% shareholdings in Gentle Rainbow.

She is a person connected to our Non-Independent Executive Director / CEO, Lavernt Chen as she is the mother of Lavernt Chen.

She is also a shareholder of our Specified Shareholder, Gentle Rainbow.

She received her primary education in a public school located at Chemor, Perak from 1963 to 1965. After 1965, she put her education on hold indefinitely to provide for her family and to look after them until she got married in 1978. She then continued to focus on her family.

Currently, she holds shareholdings and directorships in several private companies in Malaysia and Singapore, such as Nanyang Excel Sdn Bhd and Multiform Food Supply Co. Pte Ltd.

Save for her relationship with Lavernt Chen, she does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

(vi) Fong Chew Chung

Fong Chew Chung, a Malaysian, male aged 44, is our substantial shareholder by virtue of his shareholding held in Gentle Rainbow. As at the LPD, he is a director and shareholder of Gentle Rainbow holding 70.00% equity interest, which the details are as shown in Section 5.1.2 (viii) (*Profiles of our Promoters and substantial shareholders*) of this Prospectus.

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

In 1999, he graduated from the University of New South Wales with Bachelor of Civil Engineering degree. In 2000, he began his career as a geotechnical engineer at G&P Geotechnics Sdn Bhd, an engineering consultancy company, where he was trained as a graduate engineer until 2009. In the same year, he was admitted as a member of the Institution of Engineers Malaysia and obtained his Professional Engineer with Practising Certificate registration from the Board of Engineers Malaysia. Throughout his career in G&P Geotechnics Sdn Bhd, he was responsible for design engineering and management and was promoted to various positions. In 2014, he was promoted to Associate Director and hold such position until present. In 2021, he was transferred to G&P Professionals Sdn Bhd under the company's reorganisation as the Associate Director until present.

Save for his shareholding and directorship in Gentle Rainbow, he does not hold any other directorships or shareholdings in other companies.

He does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

(vii) MLCL Construction

MLCL Construction is the Promoter and substantial shareholder of our Company.

MLCL Construction was incorporated on 13 June 1997 in Malaysia under the Act as a private limited company. MLCL Construction is principally involved in general contractors.

As at the LPD, the issued share capital of MLCL Construction is RM750,005 comprising 750,005 ordinary shares.

As at the LPD, the directors and shareholders of MLCL Construction are as follows:

Name	Nature of involvement	Direct		Indirect	
		No. of shares	%	No. of shares	%
Liw Chong Liong	Director and shareholder	435,005	58.00	112,500 ⁽¹⁾	15.00
Liw Jun Yu ⁽²⁾	Director and shareholder	75,000	10.00	-	-
Lee Chen Jer	Director	-	-	-	-
Hsu, Lan-Yen	Shareholder	202,500	27.00	-	-
Chuah Lee Yeok ⁽²⁾	Shareholder	37,500	5.00	-	-

Notes:

(1) Deemed interested by virtue of his spouse's and daughter's shareholdings pursuant to Section 197 of the Act.

(2) Chuah Lee Yeok and Liw Jun Yu are the spouse and daughter of Liw Chong Liong respectively.

As at the LPD, MLCL Construction does not have any subsidiary. The following are the associated companies of MLCL Construction:

Name of the associated company	Principal activities	Direct		Indirect	
		No. of shares	%	No. of shares	%
Ace-Summit Sdn. Bhd.	Property developer and property investment holding company	125,000	50.00	-	-
Win Plus Plantation Sdn. Bhd.	Oil palm plantation	112,501	45.00	-	-

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

Happy Mercantile Sdn. Bhd.	Managing and developing leased land into oil palm plantation	300	30.00	-	-
MYMBN	Investment holdings	43,200,000	15.00	-	-

Save for Chuah Lee Yeok, the spouse and Liw Jun Yu, the daughter of Liw Chong Liong, who is the Promoter, substantial shareholder and Non-Independent Non-Executive Chairman of our Company, none of the directors and shareholders in MLCL Construction have any family relationships with any of our Promoters, Directors and/or substantial shareholders.

(viii) Gentle Rainbow

Gentle Rainbow is the Promoter, substantial shareholder and Specified Shareholder of our Company.

Gentle Rainbow was incorporated on 5 February 2002 in Malaysia under the Act as a private limited company. Gentle Rainbow is principally involved in property investment and cultivation and sale of swiftlet birds' nests.

As at the LPD, the issued share capital of Gentle Rainbow is RM100,000 comprising 100,000 ordinary shares.

As at the LPD, the directors and shareholders of Gentle Rainbow are as follows:

Name	Nature of involvement	Direct		Indirect	
		No. of shares	%	No. of shares	%
Fong Chew Chung ⁽¹⁾	Director and shareholder	70,000	70.00	-	-
Pang Soo Mooi ⁽¹⁾	Director	-	-	-	-
Hew Hong Thee ⁽²⁾	Shareholder	30,000	30.00	-	-
Chen WenBiao ⁽³⁾	Director	-	-	-	-

Notes:

(1) Fong Chew Chung and Pang Soo Mooi are cousins.

(2) Hew Hong Thee is the mother of Lavernt Chen.

(3) He is a son of Hew Hong Thee and brother to Lavernt Chen.

As at the LPD, save for its 10.00% shareholdings in MYMBN, Gentle Rainbow does not have any subsidiary or associated companies.

Save for Hew Hong Thee who is the mother of our Non-Independent Executive Director/ CEO, Lavernt Chen and Chen WenBiao, who is the brother of our Non-Independent Executive Director/ CEO, Lavernt Chen, none of the directors and shareholders in Gentle Rainbow have any family relationships with any of our Promoters, Directors and/or substantial shareholders.

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

5.1.3 Significant changes in the shareholdings of our Promoters and substantial shareholders in our Company since incorporation

The changes in our Promoters' and substantial shareholders' shareholdings in our Company since incorporation up to and after our IPO are as follows:

Name	As at 31 March 2022 (Date of incorporation)			Before our IPO/ As at the LPD			After our IPO				
	Direct		Indirect	Direct		Indirect	Direct		Indirect		
	No. of Shares	%	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	
Promoters and Substantial Shareholders											
Lavernt Chen	-	-	-	129,600,000	45.00	-	-	129,600,000	33.58	-	-
Lee Wei Kong	-	-	-	43,200,000	15.00	-	-	43,200,000	11.19	-	-
Liw Chong Liong	-	-	-	43,200,000	15.00	43,200,000	15.00 ⁽³⁾	43,200,000	11.19	43,200,000	11.19 ⁽³⁾
MLCL Construction	-	-	-	43,200,000	15.00	-	-	43,200,000	11.19	-	-
Gentle Rainbow	-	-	-	28,800,000	10.00	-	-	28,800,000	7.46	-	-
Substantial Shareholders											
Hsu, Lan-Yen	-	-	-	-	-	43,200,000	15.00 ⁽⁴⁾	-	-	43,200,000	11.19 ⁽⁴⁾
Hew Hong Thee	-	-	-	-	-	158,400,000	55.00 ⁽⁵⁾	-	-	158,400,000	41.04 ⁽⁵⁾
Fong Chew Chung	-	-	-	-	-	28,800,000	10.00 ⁽⁶⁾	-	-	28,800,000	7.46 ⁽⁶⁾
Ng Hock Tiam ⁽⁷⁾	1	100.00	-	-	-	-	-	-	-	-	-

Notes:

(1) Based on our issued share capital of 288,000,000 Shares before our IPO.

(2) Based on our enlarged issued share capital of 386,000,000 Shares after our IPO.

(3) Deemed interested by virtue of his shareholdings in MLCL Construction, pursuant to Section 8(4) of the Act.

(4) Deemed interested by virtue of her shareholdings in MLCL Construction, pursuant to Section 8(4) of the Act.

(5) Deemed interested by virtue of her shareholdings in Gentle Rainbow and her son, Lavernt Chen's shareholdings in our Company pursuant to Section 8(4) of the Act.

(6) Deemed interested by virtue of his shareholdings in Gentle Rainbow pursuant to Section 8(4) of the Act.

(7) Being the subscriber shareholder in MYMBN.

After our IPO, our Promoters and substantial shareholders have the same voting rights as the other shareholders of our Company and there is no arrangement between MYMBN and its shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of our Company. Save as disclosed above, we are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

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

5.1.4 Amount or benefits paid or intended to be paid or given

Save for the following, there are no other amount or benefits paid, intended to be paid or given to our Promoters and/or substantial shareholders within two (2) years preceding the date of this Prospectus:

- (i) no dividend was paid to our Promoters and/or substantial shareholders for the FYE 2021 and FYE 2022;
- (ii) issuance of Shares by our Company as consideration for the Acquisition of MBN Enterprise; and
- (iii) aggregate remuneration and material benefits in-kind paid or proposed to be paid to the Promoters and/or substantial shareholders, namely Lavernt Chen and Lee Wei Kong⁽¹⁾, who are also our Directors, for services rendered to our Group in all capacities for the FYE 2022 and proposed for the FYE 2023 as set out in Section 5.4 (*Remuneration of Directors and Key Senior Management*) of this Prospectus.

Note:

(1) Lee Wei Kong has been providing advisory services in his capacity as a director of MBN Enterprise.

5.2 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

(i) Directors

Our Board comprises the following members:

<u>Name</u>	<u>Age</u>	<u>Gender</u>	<u>Nationality</u>	<u>Date of appointment</u>	<u>Designation</u>
Liw Chong Liong	62	Male	Malaysian	1 July 2022	Non-Independent Non-Executive Chairman
Lavernt Chen	44	Male	Malaysian	1 July 2022	Non-Independent Executive Director/ CEO
Chin Chee Cheah	40	Female	Malaysian	1 July 2022	Non-Independent Executive Director/ COO
Lee Wei Kong	56	Male	Malaysian	1 July 2022	Non-Independent Non-Executive Director
Dato' Dr. Rosini Binti Alias	65	Female	Malaysian	7 July 2022	Independent Non-Executive Director
Dato' Nazipah Binti Jamaludin	64	Female	Malaysian	7 July 2022	Independent Non-Executive Director
Chin Peck Li	52	Female	Malaysian	7 July 2022	Independent Non-Executive Director
Goh Wen Ling	43	Female	Malaysian	7 July 2022	Independent Non-Executive Director

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

Save for Liw Chong Liong, who is our Promoter, substantial shareholder and Non-Independent Non-Executive Chairman of our Company, none of our Directors represents any corporate shareholder on our Board.

For details on the association of family relationships between our Promoters, substantial shareholders, Directors and key senior management, please refer to Section 5.7 (*Family Relationships and/or Associations between Our Promoters, substantial shareholders, Directors and Key Senior Management*) of this Prospectus.

(ii) Key Senior Management

Our key senior management comprises the following:

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Date of joining MBN Enterprise</u>	<u>Current Designation</u>
Lavernt Chen	44	Malaysian	19 December 2016	Non-Independent Executive Director / CEO
Chin Chee Cheah	40	Malaysian	1 July 2019	Non-Independent Executive Director / COO
Wang Heong Ying	40	Malaysian	19 April 2021	Financial Controller
Kiew Pei Fang	36	Malaysian	2 May 2017	Head of Production

5.2.1 Profiles of our Directors

The profiles of our Directors are set out below:

(i) Liw Chong Liong, *Non-Independent Non-Executive Chairman*

The profiles of Liw Chong Liong as our Non-Independent Non-Executive Chairman, who is also the Promoter and substantial shareholder are set out in Section 5.1.2 (i) (*Profiles of our Promoters and substantial shareholders*) of this Prospectus.

(ii) Lavernt Chen, *Non-Independent Executive Director / CEO*

The profiles of Lavernt Chen as our Non-Independent Executive Director/ CEO, who is also the Promoter, substantial shareholder and Specified Shareholder are set out in Section 5.1.2 (ii) (*Profiles of our Promoters and substantial shareholders*) of this Prospectus.

(iii) Chin Chee Cheah, *Non-Independent Executive Director / COO*

Chin Chee Cheah, a Malaysian female aged 40, is our Non-Independent Executive Director / COO. She was appointed to our Board on 1 July 2022. She is also a Director of MBN International.

Her role in our Group is to manage the overall operations and is responsible for the management of sales, productivity, quality control and food safety measures which are set for our Group's operations department.

In 2001, Chin Chee Cheah completed her high school study at Pay Fong High School for Unified Examination Certificate (UEC) and in the same year, she obtained Level 2 of the London Chambers of Commerce and Industry ("**LCCI**"). In 2003, she completed the Level 3 Group Diploma in Accounting certified by LCCI from Systematic College.

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

In 2003, she began her career as a clerk at Percetakan Jobe Sdn Bhd where she was responsible for general administrative work. In 2004, she left Percetakan Jobe Sdn Bhd and joined Nian Foon Construction Sdn Bhd as a clerk in Administration and Accounting Department.

In 2005, she left Nian Foon Construction Sdn Bhd and joined Srikota Awana Sdn Bhd, a company involved in maintenance of swiftlet houses and harvesting of bird's nests business as an Account and Administrative Clerk. On 1 October 2010, she was promoted to Operation Executive, where she was responsible in grading, sales and marketing of RUCBN until 2015.

In 2015, she joined Multifarm Food Supply Co. Sdn Bhd, a company principally involved in the processing of RCEBN and trading in swiftlet bird's nests, as an Operation Executive where she was responsible for operational matters including sourcing, processing, quality control, logistics, sales and regulatory compliances until April 2019.

In July 2019, after her break, she joined MBN Enterprise as a Marketing Executive. On 1 September 2019, she was promoted to Operation Manager where she was responsible for managing overall operations and management of sales, productivity, quality control and food safety measures under the Group's operations department. On 1 May 2022, she was promoted to COO.

She does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

Please refer to Section 5.2.1.1 (iii) (*Principal directorships or principal business activities outside our Group*) of this Prospectus for details of Chin Chee Cheah's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

(iv) Lee Wei Kong, Non-Independent Non-Executive Director

The profiles of Lee Wei Kong as our Non-Independent Non-Executive Director, who is also the Promoter and substantial shareholder are set out in Section 5.1.2 (iii) (*Profiles of our Promoters and substantial shareholders*) of this Prospectus.

(v) Dato' Dr. Rosini Binti Alias, Independent Non-Executive Director

Dato' Dr. Rosini binti Alias, a Malaysian female aged 65, is the Independent Non-Executive Director of our Company. She was appointed to our Board on 7 July 2022.

Dato' Dr. Rosini binti Alias was the Deputy Director General of DVS prior to her retirement in 2018. Her career in the veterinary and agricultural sector spans over 30 years, and her contribution and service to the veterinary sector have been recognised through state honours and by industry patrons in 2015 and 2017.

Dato' Dr. Rosini binti Alias graduated with a Doctor of Veterinary Medicine from University Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1983. She commenced her career with DVS, as an officer and helmed different positions during her tenure of service with DVS.

A noteworthy experience was in 1995, when she was promoted to the Head of Quarantine and Import & Export section where she was in charge of drawing up approvals of import and export protocols of livestock. In 2015, she was promoted to Senior Director, of the Livestock Commodity Development Division, where she was responsible for matters related to livestock industries namely the ruminant and non-ruminant industry, where she was in charge of drawing up policies on production, farming techniques, and all issues related to

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

livestock production. As a Senior Director of the Livestock Commodity Development Division, she was also responsible for overseeing the growth of the Birds' Nest Industries where she provided advice on issues pertaining to regulations to export RUCEBN to the PRC. In 2017, she was the Deputy Director General of DVS, her main task was to ensure, that amongst others, the Birds' Nest Industries grew and RUCEBN became one of the main exports of Malaysia, prior to her retirement in 2018.

Since her retirement in 2018, she has been providing consulting services on an ad-hoc basis as a consultant on matters relating to livestock insurance and on issues about livestock certification under a company known as ABIC Fides PLT, a limited liability partnership company, until present.

She is currently holding a position in Dutch Lady Milk Industries Berhad, a company listed on the Main Market of Bursa Securities as a Non-Independent Non-Executive Director since 16 March 2018. She sits as a member of the Audit and Risk Committee in Dutch Lady Milk Industries Berhad.

She does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

Please refer to Section 5.2.1.1 (v) (*Principal directorships or principal business activities outside our Group*) of this Prospectus for details of Dato' Dr. Rosini binti Alias' principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

(vi) Dato' Nazipah Binti Jamaludin, Independent Non-Executive Director

Dato' Nazipah binti Jamaludin, a Malaysian female aged 64, is the Independent Non-Executive Director of our Company. She was appointed to our Board on 7 July 2022.

Dato' Nazipah binti Jamaludin was the Deputy Director General (Operations) of the Federal Agricultural Marketing Authority ("**FAMA**"), Ministry of Agriculture & Food Industry prior to her retirement in 2019. Her career in the agricultural and food sector spans over 36 years.

Dato' Nazipah binti Jamaludin is a graduate with Bachelor of Sciences in Agribusiness from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1983.

Upon her graduation in 1983, she commenced her career with FAMA as a Marketing Officer under the Cocoa Department, Planning Department, and Market Information Department which she held such a position until 1994.

Subsequently in 1994, she was promoted to State Director of FAMA Pahang where she held such a position for 10 years. During her tenure as the State Director of FAMA Pahang, she initiated the promotion and branding of "Temerloh Bandar Ikan Patin" with Integrated Agricultural Development Project Pahang Barat and Department of Fisheries in Pahang to increase consumption and local demand for fresh water fish, as part of marketing and promoting fresh water fish project for Government of Pahang and Ministry of Agriculture. She also led FAMA Pahang's collaboration with Lembaga Muzium Negeri Pahang in promoting the usage of local fresh produce from farmers via a traditional cookbook project.

From 2004 to 2006, she then was promoted to Director of Market Promotion (Domestic) and then to Senior Director of International Promotion from 2006 to 2018. During her 14 years under these positions held, she led strategic plannings and executions of domestic and overseas market promotion programmes for the horticulture sector and small medium enterprises for food manufacturers with the objective to create awareness, introduce and widen export market for Malaysian products in Gulf Countries, the PRC, ASEAN Countries, Europe, South Korea, Japan, Australia & the United States. She was also involved in developing and executing pre-export programmes for small and medium enterprises for food manufacturers or exporters to enhance technical knowledge on logistics, food export

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

procedures and requirements by importing countries.

In 2018, she was then promoted to Deputy Director General (Operations) of FAMA where she held said position prior to her retirement in 2019.

As at the LPD, she does not hold any directorship in any public listed companies.

She does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

Dato' Nazipah Binti Jamaluddin does not have any principal business activities performed outside of our Group as at the LPD and the principal directorships in any other corporations outside of our Group for the past 5 years prior to the LPD, as stated in Section 5.2.1.1 (vi) (*Principal directorships or principal business activities outside our Group*) of this Prospectus.

(vii) **Chin Peck Li**, *Independent Non-Executive Director*

Chin Peck Li, a Malaysian female aged 52, is the Independent Non-Executive Director of our Company. She was appointed to our Board on 7 July 2022.

She brings to the Board her experience in accountancy, financial, tax and governance.

In 1993, Chin Peck Li graduated with a Bachelor of Business (Accountancy) from RMIT. In the same year she became a member of Certified Practising Accountant, Australia ("**CPA Australia**"). In the same year, she began her career by joining PriceWaterhouse (now known as Pricewaterhouse Coopers) as a Tax Associate, where she was involved in tax planning, accountancy research and supervision of junior tax assistants.

In 1995, she was promoted to Associate Consultant which involved tax advisory work. She was responsible for a portfolio of local and foreign clients in which she was tasked with reviewing financial statements, capital expenditure budgets and advising companies' strategic and long-term plans regarding tax matters. She resigned from Pricewaterhouse Coopers in 1996.

In 1997, she was certified as a Chartered Accountant by the Malaysian Institute of Accountants and took on a sabbatical and returned to academia.

In 1998, she obtained a Master of Finance from RMIT and started her career as a lecturer in accountancy at Multimedia University, Melaka in the same year until 2001.

In 2001, she left her position as a lecturer at Multimedia University, Melaka and joined Huat Lai Resources Berhad, a company which was previously listed on the Main Market of Bursa Securities, as an Independent Non-Executive Director. She subsequently resigned as an Independent Non-Executive Director of Huat Lai Resources Berhad in 2017.

In 2003, she set up her own accounting firm, namely CPL & Co to provide bookkeeping and payroll services and general accounting advisory.

In 2006, she was certified as a Chartered Tax Practitioner by the Chartered Tax Institute of Malaysia. In 2010, she set up her own companies known as CPL Secretarial Services Sdn Bhd and CPL Taxation Services Sdn Bhd, which these companies are principally involved in the business of company secretarial services and tax advisory services, respectively.

In 2012, she was appointed as an Independent Non-Executive Director of TPC Plus Berhad, a company listed on the Main Market of Bursa Securities and sat as a member of the Audit Committee, and Nomination and Remuneration Committee. She subsequently resigned in 2015.

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

Followed with her resignation in 2015 from TPC Plus Berhad, she is actively focusing on her own business consultancy business and accounting related training through her company known as CPL Consultancy Services Sdn Bhd which was incorporated in 2015.

In January 2020, she was awarded with fellow membership of CPA Australia.

She currently sits as an Independent Non-Executive Director of VisDynamics Holdings Berhad, a company listed on the ACE Market, since 1 June 2022. On 22 September 2022, she was appointed as a Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of VisDynamics Holdings Berhad.

She does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

Please refer to Section 5.2.1.1 (vii) (*Principal directorships or principal business activities outside our Group*) of this Prospectus for details of Chin Peck Li's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

(viii) Goh Wen Ling, Independent Non-Executive Director

Goh Wen Ling, a Malaysian female aged 43, is the Independent Non-Executive Director of our Company. She was appointed to our Board on 7 July 2022.

She has over 16 years of experience in the legal profession. Her specialisation includes advising public listed and private companies on direct real estate acquisition and divestments, retail banking and various aspects of financing, corporate and commercial legal practice.

In 2000, Goh Wen Ling graduated with a Bachelor of Laws (Honours) degree from University of Hull, United Kingdom. In 2001, she obtained her Postgraduate Diploma from City University London, Inns of Court School of Law. She was called to the Bar of England and Wales in the same year as a Barrister-at-Law of the Honourable Society of the Middle Temple. In 2002, she was admitted to the High Court of Malaya as an advocate and solicitor.

In 2002, Goh Wen Ling commenced her legal career with Messrs Shook Lin & Bok as a legal associate in the intellectual property department where she gained experience in intellectual property laws. In 2003, she left the legal profession and started her own event management company, Aldrea Dream Media Sdn Bhd until September 2004.

In October 2004, Goh Wen Ling returned to legal practice by joining Messrs Andrew T.S. Goh & Khairil as a junior partner. Her main area of expertise includes advising and drafting of commercial agreements and loan documentation for various financial institutions and credit companies. In January 2020, she was promoted to senior partner and is currently the Head of Conveyancing, Corporate and Banking department.

On 1 August 2018, she was appointed as an Independent Non-Executive Director of Leong Hup International Berhad, a company listed on the Main Market of Bursa Securities. She sits as a Chairperson of the Remuneration Committee and a member of the Audit and Risk Committee of Leong Hup International Berhad.

She also sits in Teo Seng Capital Berhad, a company listed on the Main Market of Bursa Securities as an Independent Non-Executive Director since 26 May 2022 and is a Chairperson of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

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

On 1 September 2022, she was appointed as an Independent Non-Executive Director of PCCS Group Berhad, a company listed on the Main Market of Bursa Securities. She is the Chairperson of the Remuneration Committee and a member of the Nomination Committee and Audit Committee.

She does not have any family relationships with any of our Promoters, Directors, substantial shareholders and/or key senior management.

Please refer to Section 5.2.1.1 (viii) (*Principal directorships or principal business activities outside our Group*) of this Prospectus for details of Goh Wen Ling's principal directorships in other corporations and principal business activities performed outside our Group as at the LPD.

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

5.2.1.1 Principal directorships or principal business activities outside our Group

Save as disclosed below, none of our Directors has any principal business activities performed outside our Group (including principal directorship) in the past 5 years prior to the LPD:

(i) Liw Chong Liong

Name of entity / business	Nature of involvement	Directorship appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
<i>Present Involvement</i> Win Plus Plantation Sdn Bhd	Director and shareholder	1 July 2000	Oil palm plantation	5,000	2	112,501 ⁽¹⁾	45 ⁽¹⁾
Exotic Alpine (M) Sdn Bhd	Director and Shareholder	22 April 1993	Building contractor and property investment holding company	50,000	50	-	-
Ace-Summit Sdn Bhd	Director	15 September 2004	Property developer and property investment holding company	50,000	20	125,000 ⁽¹⁾	50 ⁽¹⁾
Compact Sunrise Sdn Bhd	Director and Shareholder	12 December 2006	Investment holding in durian orchard / plantation	80,000	32	-	-
Finecon Building Construction Sdn Bhd	Director and Shareholder	4 June 1997	Swallow nesting ⁽⁴⁾	610,000	61	-	-
MLCL Construction	Director and Shareholder	4 June 1997	General contractors	435,005	58	112,500 ⁽²⁾	15 ⁽²⁾
Strong Arm Crane & Machineries Sdn Bhd	Director and Shareholder	15 September 1997	Swallow nesting ⁽⁴⁾	3,000	30	-	-
Teamwork Model (M) Sdn Bhd	Director and Shareholder	9 April 2003	Building contractors	47,502	95.00	-	-

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

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
<i>Present Involvement (continued)</i>							
Lembah Muhibbah Sdn Bhd	Director and Shareholder	13 June 1996	Property development	125,000	50	-	-
Little Concord (M) Sdn Bhd	Director and Shareholder	21 October 2005	Swiftlet farming ⁽⁴⁾	50	50	-	-
Wishteam Resources Sdn Bhd	Director and Shareholder	13 February 2007	Oil palm plantation and swallow nesting ⁽⁴⁾	350	35	-	-
Jago Emas (M) Sdn Bhd	Director and Shareholder	13 February 2007	Oil palm plantation	200,000	40	-	-
Bigeast Swiftlet Sdn Bhd	Director and Shareholder	21 September 2007	Dormant. A company intended for swiftlet ranching ⁽⁴⁾	1	50	-	-
Eastern Masterpiece Sdn Bhd	Director and Shareholder	18 September 2007	Swallow nesting ⁽⁴⁾	55	55	-	-
Bigstar Harvest Sdn Bhd	Director and Shareholder	22 October 2007	Dormant. A company intended for swiftlet ranching ⁽⁴⁾	5	50	-	-
Bilang Harta Sdn Bhd	Director	4 November 2007	Swiftlet farming ⁽⁴⁾	-	-	-	-
One Hill Success Development Sdn Bhd	Director and Shareholder	20 February 2009	Swallow nesting ⁽⁴⁾	68	68	-	-
Virtue Rewards Sdn Bhd	Director and Shareholder	4 September 2009	Swallow nesting ⁽⁴⁾	350	35	-	-

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

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect		
				No of shares	%	No of shares	%	
<i>Present Involvement (continued)</i>								
Sinogold Resources Sdn Bhd	Director	22 March 2010	Oil palm plantation	-	-	-	-	-
Happy Mercantile Sdn Bhd	Director	26 October 2010	Managing and developing leased land into oil palm plantation	120	12	300 ⁽¹⁾	30 ⁽¹⁾	30 ⁽¹⁾
Worthland Development Sdn Bhd	Director	18 January 2011	Swiftlet farming ⁽⁴⁾	200	20	-	-	-
SB Puncak Jaya Sdn Bhd	Director and shareholder	18 April 2013	Dormant. A company incorporated to hold a piece of land in Sabah.	1	50	-	-	-
Jago Bumi Sdn Bhd	Director and shareholder	3 September 2013	Housing developer and contractor	35	35	-	-	-
SRC Enterprise Sdn Bhd.	Director and shareholder	28 December 2015	Swiftlet farming ⁽⁴⁾ , swiftlet ranching ⁽⁴⁾ , breeder, management consultant, investment holding in real property, principal contractor and sub-contractor	25	25	-	-	-
Charming Potential Sdn Bhd	Director and shareholder	24 September 2009	Dormant. The company holds a piece of land in Panchang, Pahang, intended for swiftlet ranching ⁽⁴⁾	1	50	-	-	-

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

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
<u>Past Involvement</u>							
Everise Benchmark Sdn. Bhd.	Director and shareholder	25 June 2007 (resigned on 28 September 2020)	Swallow nesting ⁽⁴⁾	25 ⁽³⁾	25 ⁽³⁾	-	-
Ladang Saksama Sdn Bhd	Director	12 April 2016 (resigned on 5 November 2018)	Dormant. Wholesale of lumber and timber, logging and plantation activities	-	-	-	-

Notes:

- (1) Deemed interested through his shareholdings in MLCL Construction pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of his spouse's and his daughter's shareholdings pursuant to Section 8(4) of the Act.
- (3) Shares were disposed of on 14 October 2020 to Lee Wei Kong.
- (4) For the avoidance of doubt, swallow farming, swiftlet nesting and swiftlet ranching are referring to similar business activities.

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

(ii) Lavern Chen

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect		
				No of shares	%	No of shares	%	
<i>Present Involvement</i>								
Ocean Soft Sdn Bhd	Director and shareholder	1 October 2019	Buying, selling, renting and operating self-owned or leased real estate of non-residential building; buying, selling, renting and operating of self-owned or leased real estate-residential building; Real estate activities with own or leased property.	51	51	-	-	
Mecher Enterprise Sendirian Berhad	Director and shareholder	21 December 2022	Property investment holding	50,000	100	-	-	
<i>Past Involvement</i>								
Southern Sea Company Limited ⁽¹⁾	Director and Shareholder	2 September 2015	Trading of swiftlet bird's nest activities	100,000	100	-	-	
CWV Ventures	Director and Shareholder	17 November 2005 (resigned on 6 December 2021)	Property investment holding and trading and sale of swiftlet birds' nests.	300,000 ⁽²⁾	60 ⁽²⁾	-	-	
Bestgen Food Sdn Bhd	Director and Shareholder	3 July 2009 (resigned on 11 January 2018)	Processing, packaging and trading of bird nest	900,000 ⁽³⁾	45 ⁽³⁾	-	-	

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

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
Past Involvement (Continued)							
Gentle Rainbow Sdn Bhd	Director	14 November 2011 (resigned on 14 September 2021)	Property investment and cultivation and sale of swiftlet birds' nests	-	-	-	-
Nanyang Excel Sdn Bhd	Director	14 November 2011 (resigned on 30 September 2021)	Cultivation and sale of swiftlet birds' nest and property investment	1 ⁽⁴⁾	*	-	-
MF Murni Sdn Bhd	Director and shareholder	24 December 2020 (resigned on 19 January 2022)	Production of natural mineral waters and other bottled waters	1 ⁽⁵⁾	100 ⁽⁵⁾	-	-
Multiform Food Supply Co. Pte Ltd	Director and shareholder	1 September 2011 (resigned on 1 November 2021)	Wholesale of health supplements	50 ⁽⁶⁾	50 ⁽⁶⁾	-	-
Walet Sempurna Sdn Bhd	Sole Director and Shareholder	28 March 2021 (resigned on 14 April 2022)	Activities of holding companies for real estate (owned or leased property).	1,000 ⁽⁷⁾	100 ⁽⁷⁾	-	-

Notes:

- (1) A company incorporated under the laws of Hong Kong. Southern Sea Company Limited had been dissolved on 9 December 2022.
- (2) Shares were disposed on 6 December 2021 to a person who is a non-related party to Lavemt Chen.
- (3) Shares were disposed on 30 August 2021 and 30 September 2021 to persons who are non-related parties to Lavemt Chen.
- (4) Shares were disposed on 11 November 2021 to Chen WenBiao, Lavemt Chen's brother.
- (5) Shares were disposed of on 20 January 2022 to a person who is a non-related party to Lavemt Chen.

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

(6) Shares were disposed of on 1 November 2021 to Hew Hong Thee, Lavernt Chen's mother.

(7) Shares were disposed of on 2 June 2022 to a person who is a non-related party to Lavernt Chen.

* Negligible

(iii) Chin Chee Cheah

She does not have any principal business activities performed outside of our Group as at the LPD and the principal directorships in any other corporations outside of our Group for the past 5 years prior to the LPD.

(iv) Lee Wei Kong

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
WKPL Sdn Bhd	Director and shareholder	9 June 2008	Property investment (in swiftlet houses)	25,000	50	25,000 ⁽¹⁾	50 ⁽¹⁾
WKCP Sdn Bhd	Director and shareholder	4 July 2007	Properties investment (in swiftlet houses)	60,000	60	-	-
Federal Vehicle Body Builders Sdn Bhd	Shareholder	-	Manufacturing and dealing in vehicle body building	20,000	4.11	-	-

Past Involvement

Eastern Masterpiece Sdn Bhd	Director	26 October 2007 (resigned on 2 June 2020)	Swallow nesting ⁽⁵⁾	20 ⁽²⁾	20 ⁽²⁾	-	-
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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
<i>Past Involvement (Continued)</i>							
One Hill Success Development Sdn Bhd	Director	20 February 2009 (resigned on 2 June 2020)	Swallow Nesting ⁽⁵⁾	25 ⁽³⁾	25 ⁽³⁾	-	-
Wishteam Resources Sdn Bhd	Shareholder	-	Oil palm plantation and swallow nesting ⁽⁵⁾	100 ⁽⁴⁾	10 ⁽⁴⁾	-	-
Everise Benchmark Sdn Bhd	Sole Director and shareholder	25 June 2007 (resigned on 15 July 2022)	Swallow nesting ⁽⁵⁾	100 ⁽⁶⁾	100 ⁽⁶⁾	-	-

Notes:

- (1) Deemed interested by virtue of his spouse's shareholding pursuant to Section 8(4) of the Act.
- (2) Shares were disposed of on 23 June 2020.
- (3) Shares were disposed of on 18 June 2020.
- (4) Shares were disposed of on 16 June 2020.
- (5) For avoidance of doubt, swallow farming and swiftlet nesting are referring to similar business activities.
- (6) 25 shares were previously acquired from Liew Chong Liong on 14 October 2020 and subsequently all the shares were disposed of on 15 September 2022 to a non-related party.

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

(v) Dato' Dr. Rosini binti Alias

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
<i>Present Involvement</i> Dutch Lady Milk Industries Berhad	Non-Independent Non-Executive Director	16 March 2018	Manufacture and distributes dairy and dairy related products such as specialised powders for infant and growing up children, liquid milk in different packaging formats and yoghurts.	-	-	-	-

(vi) Dato' Nazipah binti Jamaludin

She does not have any principal business activities performed outside of our Group as at the LPD and the principal directorships in any other corporations outside of our Group for the past 5 years prior to the LPD.

(vii) Chin Peck Li

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
<i>Present Involvement</i> CPL Taxation Services Sdn Bhd	Director/ Shareholder	7 January 2010	Provision of tax advisory and consultancy services	7	70	3 ⁽¹⁾	30 ⁽¹⁾
CPL Secretarial Services Sdn Bhd	Director/ Shareholder	1 February 2010	Provision of corporate secretarial service	21	70	9 ⁽¹⁾	30 ⁽¹⁾

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

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
<i>Present Involvement</i> (continued)							
CPL Consultancy Services Sdn Bhd	Director/ Shareholder	2 March 2015	Accounting services and business consulting.	1	50	1 ⁽¹⁾	50 ⁽¹⁾
Windfall Enterprise Sdn Bhd	Director/ Shareholder	12 August 2013	Property investment company	25,500	50	25,000 ⁽¹⁾	50 ⁽¹⁾
CNY Plantation Sdn Bhd	Shareholder	-	Cultivation of oil palm	275,000 ⁽²⁾	10	-	-
CNY Bioscience Sdn Bhd	Shareholder	-	Processing and retailing agricultural chemical and fertilizers and sale of sand	50,000 ⁽²⁾	10	-	-
VisDynamics Holdings Berhad	Independent Non-Executive Director	1 June 2022	Investment holding and the provision of management services and its subsidiary is involved in manufacturer of automated test equipment.	-	-	-	-

Notes:

(1) Deemed interested by virtue of her spouse's shareholding pursuant to Section 8(4) of the Act.

(2) Shares held in trust for non-related third party.

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

(viii) Goh Wen Ling

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
<i>Present Involvement</i>							
Leong Hup International Berhad	Independent Non-Executive Director	1 August 2018	Investment holdings and its subsidiaries are involved in the production and distribution of breeder and broiler day-old-chick, broiler chickens, eggs, animal feeds, animal health products and consumer food products	700,000	0.019	-	-
Boss Traders Sdn Bhd	Director	4 July 2020	Sand digging	160,000 ⁽¹⁾	20 ⁽¹⁾	-	-
Teo Seng Capital Berhad	Independent Non-Executive Director	26 May 2022	Investment holdings and provision of management services and its subsidiaries are involved in the production and distribution of eggs, animal health products, animal feeds, paper egg trays and fertiliser by-product business	-	-	-	-
PCCS Group Berhad	Independent Non-Executive Director	1 September 2022	Investment holding and provision of management services and its subsidiaries are involved in the manufacturing and marketing of apparels, printing of labels and stickers for garments and other products, credit service and medical industry	-	-	-	-

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

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
Present Involvement <i>(continued)</i>							
Maju Setiakawan Sdn Bhd	Shareholder	-	Property development	62,500	25	187,500 ⁽²⁾	75 ⁽²⁾
Laksamana Group Sdn Bhd	Shareholder	-	Property development	625,000	25	1,875,000 ⁽²⁾	75 ⁽²⁾

Notes:

(1) Shares held in trust for the benefit of a school, Pay Fong Middle School Malacca.

(2) Deemed interested by virtue of her spouse's shareholding pursuant to Section 8(4) of the Act.

The involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our Group's business. Our Board is of the view that companies involved in upstream segment and midstream segment are different businesses in nature serving different target markets. MYMBN Group, being a processor and sale of RUCEBN is involved in the midstream segment of the EBN industry. Meanwhile, our Non-Independent Non-Executive Chairman, Liw Chong Liong and our Non-Independent Non-Executive Director, Lee Wei Kong are involved in swallow ranching, swallow nesting and swiftlet farming which belong to the upstream segment of the EBN industry. The differences between the upstream and midstream segment of EBN industry are highlighted in the table below:

Differentiation	Upstream Segment	Midstream Segment
General Industry Categorisation	Agriculture	Food / Animal Products
Products	EBN in its raw, unprocessed form (raw bird's nest)	Processed EBN, either RUCEBN or RCEBN
Target Markets	<ul style="list-style-type: none"> Local EBN traders/ agents Local midstream EBN processors (RUCEBN and RCEBN) 	<ul style="list-style-type: none"> Overseas RUCEBN traders Local and overseas RCEBN traders and retailers Local and overseas processors of RCEBN Local and overseas manufacturers of bird's nest-related products such as food and beverage, cosmetic, etc.

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

Differentiation	Upstream Segment	Midstream Segment
Technical Know-How	<ul style="list-style-type: none"> • Experience in behaviours of swiftlets • Understanding of habitats of swiftlets • Maintenance of swiftlet houses 	<ul style="list-style-type: none"> • Management of processing operations • Food safety and quality control systems such as VHM, HACCP (for RCEBN) and Gmp • Compliance with regulations from authorities such as DVS, MITI, MOH and Malaysian Quarantine and Inspection Services
Success and Risk Factors	<ul style="list-style-type: none"> • External and often uncontrollable • Environment, such as air quality (e.g. haze pollution), food chain and food source of swiftlets (e.g. forests, insects) • Climate, extreme weather conditions, temperature, humidity may sway swiftlets away • Major infrastructure or property development, or land reclamation projects nearby swiftlet houses may adversely affect output 	<ul style="list-style-type: none"> • Business-related, relatively manageable • Network and contact to source raw bird's nest • Processing management to ensure grading consistency in a timely manner and minimising wastages. • Cash flow management • Logistics management • Quality control • Compliance with laws and regulations and certification requirements
Suitable Location for Business Premises	Generally, chances of success in agricultural, rural or sub-urban areas (e.g. forested, coastal) would be higher than industrial or urban areas	Industrial or commercial areas are preferred due to the higher ease of access to manpower and logistics as well as greater feasibility in maintaining food safety and quality standards
Manpower Requirement	Low and typically foreign labour (e.g. 2 employees could easily manage 5 to 10 bird houses)	High and typically local labour (e.g. a minimum of 15 to 20 total employees are needed to achieve an output of 1,000kg RUCENB per month)
Time Commitment	Low but inconsistent <ul style="list-style-type: none"> • An employee may spend 4 to 8 hours maintaining a bird house but need only do so once or twice a month 	High and more consistent <ul style="list-style-type: none"> • Working hours are fixed and consistent, management will have to be actively hands-on
Nature of Job	3D (dangerous, dirty, difficult) as climbing is required to pick bird's nests, the premises could be filled with bird feces, fleas and ticks, environment is generally stuffy	Clean, air-conditioned environment, fixed working hours, with protective gear provided

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

Differentiation	Upstream Segment	Midstream Segment
Capital Expenditure Requirements	Fairly high Excluding land cost, a purpose-built bird house generally costs RM450,000 to RM550,000, which in the best-case scenario, provides the investor with an output of 400kg of bird's nest per year.	Medium For example, MYMBN Group's capital expenditure over the years in renovation, machineries, equipment and cold room totaling RM1.60 million enabled them to possess a processing capacity of over 20,000kg per year.
Working Capital Requirements	Low Lower operating expenditure, consisting mainly of rental cost of premises, basic utilities expenses, minimal maintenance of bird houses and payroll for minimal manpower. Sales of bird's nests are usually on cash terms or very short credit terms (i.e. 7-14 days).	High Higher operating expenditure, consisting of utilities expenses (e.g. electricity, water), fixed payroll expenses for manpower (including administrative), maintenance expenses (e.g. air-conditioning, calibration) and compliance expenses (e.g. laboratory testing, surveillance and compliance audit, documentation, license and certification renewal). Purchase of bird's nests is usually on cash terms or very short credit terms (i.e. 7-14 days), costing generally about RM3,000 to RM4,000 per kg.
Return on Investment	High volatility, could be very high (50% to 100%), very low (single digit %) or loss making (negative)	Lower but stable, established processors generally make profits ranging from 5% to 10%
Licenses Required	Minimal, mainly just a registration with DVS	Various <ul style="list-style-type: none"> • Registration with DVS as a processing facility • VHM Certificate from DVS • HACCP certificate from MOH (for RCEBN) • MeSTI certificate and GMP Certificate from MOH • Registration as a Food Premise with MOH • Business license with local/ municipal council • Fire and rescue department of Malaysia for building renovation • Registration with DOSH to allow for installation of machineries • GACC (approval for overseas manufacturer of imported food into the PRC)

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

Given the difference as highlighted above, companies involved in the upstream segment and midstream segment are not in similar business in nature. The involvement of our Non-Independent Executive Director/ CEO, Lavernt Chen in those business activities as set out in Section 5.2.1.1 (i) (*Principal directorships or principal business activities outside our Group*) of this Prospectus does not require a significant amount of time, and hence does not affect his ability to perform his executive roles and responsibilities to our Group. He has further confirmed that his involvement in other directorships or business activities will not give rise to any conflicts of interest situation with our Group's business.

Our Non-Independent Non-Executive Chairman, Non-Independent Non-Executive Director and Independent Non-Executive Directors each has confirmed that their other directorships or business activities outside our Group are not expected to affect their contribution to our Group as they are not involved in our Group's day-to-day operations.

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

5.2.2 Key Senior Management

The profiles of our other key senior management are as follows:

(i) Lavernt Chen, *Non-Independent Executive Director / CEO*

The profile of Lavernt Chen, being our key senior management is set out in Section 5.1.2 (ii) (*Profiles of our Promoters and substantial shareholders*) of this Prospectus.

(ii) Chin Chee Cheah, *Non-Independent Executive Director / COO*

The profile of Chin Chee Cheah, being our key senior management is set out in Section 5.2.1 (iii) (*Profiles of our Directors*) of this Prospectus.

(iii) Wang Heong Ying, *Financial Controller*

Wang Heong Ying, a Malaysian female aged 40, is our Financial Controller. She is responsible for our Group's financial reporting, treasury and all other finance related matters.

In 2006, she graduated from Multimedia University in Bachelor of Accounting (Hons).

She is a member of Association of Chartered Certified Accountants since October 2012 and Chartered Accountant of the Malaysian Institute of Accountant since July 2013.

In 2007, Wang Heong Ying began her career as an Associate in the Assurance Services Department in Ernst & Young. In 2008, she was promoted as a Senior Associate. During her tenure in Ernst & Young, she gained experience in conducting and leading fieldworks for audit engagement for international and local private and public listed companies.

In February 2010, she left Ernst & Young as a Senior Associate and took a break before she joined Perfect Food Manufacturing (M) Sdn Bhd in June 2010 as an accountant where she was responsible for financial reporting and product costing by reporting to the senior finance manager of Perfect Food Manufacturing (M) Sdn Bhd.

In September 2013, she left Perfect Food Manufacturing (M) Sdn Bhd and joined Hatten Asset Management Sdn Bhd in October 2013 as an Account Manager where she was responsible for the financial reporting, treasury and corporate finance of Gold Mart Sdn Bhd, a company within Hatten Land Limited Group.

In September 2020, she left Gold Mart Sdn Bhd and joined Selia Selenggara Selatan Sdn Bhd in the same month as a Senior Finance Manager where she was responsible for financial reporting until March 2021.

In April 2021, she joined MBN Enterprise as a Finance Manager and was subsequently promoted to Financial Controller on 1 May 2022.

(iv) Kiew Pei Fang, *Head of Production*

Kiew Pei Fang, a Malaysian female aged 36, is our Head of Production. She is responsible for overseeing and monitoring the daily operations of the sorting and grading department. She also helped in ensuring the quality of the sorted RUCEBN in compliance with our product specifications. She is responsible for providing training to the team members on the procedure for sorting and grading of the RUCEBN.

In 2005, Kiew Pei Fang obtained her Sijil Pelajaran Malaysia qualification and completed her secondary school at Sekolah Menengah Kebangsaan Tun Haji Abdul Malek (Melaka).

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

In September 2006, she began her career as a course instructor in a kindergarten school and continued to be a teacher for a period of 9 years until November 2015.

In December 2015, she decided to join CVW Ventures as an operation executive to explore the bird's nest industry. During her tenure with CVW Ventures, she was involved in the process of sourcing, sorting, grading and packing of the RUCEBN, as well as dealing with the customers.

In April 2017, she left CVW Ventures and joined MBN Enterprise in May 2017, as an operation executive. On 2 January 2022, she was redesignated to Head of Production and she currently leads the production team that involves in the process of sorting and grading of RUCEBN.

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

5.2.2.1 Principal directorships or principal business activities outside our Group

Save as disclosed below and the involvement of Directors which are detailed in Section 5.2.1.1 (*Principal directorships or principal business activities outside our Group*) of this Prospectus, our key senior management does not have any principal directorships and principal business activities performed outside our Group as at the LPD or any other principal directorships outside of our Group that were held within the past 5 years up to the LPD:-

(i) Wang Heong Ying

Name of entity / business	Nature of involvement	Directorship date of appointment / (Resignation date)	Principal Activities	Direct		Indirect	
				No of shares	%	No of shares	%
OPCA Tax Consultants PLT	Partners	1 November 2018	Accounting, bookkeeping and tax consultancy	-	49	-	51 ⁽¹⁾

Present Involvement

Notes:

(1) *Deemed interested by virtue of her spouse's interest in the partnership, pursuant to Section 8(4) of the Act.*

(2) *She has confirmed that there is no time spent in this partnership as the business is mainly carried out by her spouse. Further, there has been no services provided to the Group in the past (5) years and up to the LPD.*

(ii) Kiew Pei Fang

She does not have any principal business activities performed outside of our Group as at the LPD and the principal directorships in any other corporations outside of our Group for the past 5 years and up to the LPD.

The involvement of our key senior management in other directorships or business activities are not expected to affect their contributions to our Group as they are a full-time employee of our Group and are principally involved in our Group's day-to-day operations. As their involvement in other business activities are not expected to affect their contributions to our Group, it will not negatively impact their ability to perform as our key senior management.

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

5.3 BOARD PRACTICES

According to our Constitution, all the Directors shall retire from the office at our Company's first AGM. At the AGM in every subsequent year, an election of Directors shall take place and 1/3 of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election provided that all Directors shall always retire from office at least once in every 3 years but shall be eligible for re-election.

The Directors that are to retire in each year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors that are to retire shall be determined by lot, unless they otherwise agreed among themselves. A retiring Director shall be eligible for re-election at the AGM.

The Directors shall have power from time to time to appoint any person to be a Director to fill a casual vacancy and as an addition to the existing Directors, subject to the total number of Directors not exceeding the maximum number fixed by or in accordance with our Constitution.

The Board will oversee the anti-bribery and corruption policy in accordance with our Group's Code of Conduct and Ethics, which was adopted on 19 August 2022.

Our Board acknowledges and is aware of the Malaysian Code on Corporate Governance ("MCCG") which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture. Our Board believes that our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern our Group effectively.

Our Company has adopted the recommendations under the MCCG to have a Board comprising 50% or more of Independent Non-Executive Directors, that our chairman of the Board should not be a member of our Audit and Risk Management Committee, Nomination Committee or Remuneration Committee, and to have at least 30% women directors on our Board.

5.3.1 Directors' term of office

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

<u>Name</u>	<u>Designation</u>	<u>Date of expiration of the current term of office</u>	<u>No. of years in office</u>
Liw Chong Liong	Non-Independent Non-Executive Chairman	Subject to retirement by rotation at our first AGM	< 1
Lavernt Chen	Non-Independent Executive Director / CEO	Subject to retirement by rotation at our first AGM	< 1
Chin Chee Cheah	Non-Independent Executive Director / COO	Subject to retirement by rotation at our first AGM	< 1
Lee Wei Kong	Non-Independent Non-Executive Director	Subject to retirement by rotation at our first AGM	< 1
Dato' Dr. Rosini Binti Alias	Independent Non-Executive Director	Subject to retirement by rotation at our first AGM	< 1
Dato' Nazipah Binti Jamaludin	Independent Non-Executive Director	Subject to retirement by rotation at our first AGM	< 1

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

Name	Designation	Date of expiration of the current term of office	No. of years in office
Chin Peck Li	Independent Non-Executive Director	Subject to retirement by rotation at our first AGM	< 1
Goh Wen Ling	Independent Non-Executive Director	Subject to retirement by rotation at our first AGM	< 1

5.3.2 Board Committees**5.3.2.1 Audit and Risk Management Committee**

Our Audit and Risk Management Committee was established on 7 July 2022 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Chin Peck Li	Chairperson	Independent Non-Executive Director
Dato' Dr. Rosini Binti Alias	Member	Independent Non-Executive Director
Dato' Nazipah Binti Jamaludin	Member	Independent Non-Executive Director
Goh Wen Ling	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its oversight responsibilities relating to accounting and reporting practices as well as risk management policies and strategies and sustainability initiatives of our Group. Our Audit and Risk Management Committee has full access to both internal and external auditors who in turn have access at all times to the chairperson of our Audit and Risk Management Committee.

The duties and functions of our Audit and Risk Management Committee stated in the terms of reference, comprise, amongst others, the following:

- (i) review the Group's quarterly results and year-end financial statements before submission to the Board, focusing particularly on:
 - (a) changes in or implementation of major accounting policy changes;
 - (b) significant and unusual events or transactions, and how these matters are addressed;
 - (c) significant adjustments arising from the management;
 - (d) compliance with accounting standards and other legal requirements; and
 - (e) the going concern assumption.

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

- (ii) External audit:
- (a) To consider the nomination and appointment of external auditors; and to consider the adequacy of experience and resources of the external auditors and determine the audit fee;
 - (b) To review any letter of resignation from the external auditors and any questions of resignation or dismissal;
 - (c) To discuss with the external auditors, prior to the commencement of the audit, the audit plan which states the nature and scope of the audit;
 - (d) To review major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to the external auditors;
 - (e) To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;
 - (f) To review whether there is a reason (supported by grounds) to believe that the External Auditors are not suitable for re-appointment; and
 - (g) Discuss the contracts for the provision of non-audit services which can be entered into and procedures that must be followed by the external auditors. The contracts that cannot be entered into should include management consulting, policy and standard operating procedures documentation, strategic decision and internal audit.
- (iii) Review with the external auditors on the following and report the same to the Board:
- (a) Audit plan;
 - (b) Audit report;
 - (c) Evaluations of the system of internal controls;
 - (d) The assistance given by the employees to the external auditor;
 - (e) External auditors' management letter and management's response thereto; and
 - (f) Any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditor.
- (iv) Internal audit:
- To review the following in respect of internal audit:
- (a) adequacy of scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;
 - (b) the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and ensure that appropriate actions are taken on the recommendations of the internal audit function;

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

- (c) the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function; and
- (d) review and approve any appointment, termination or resignation of the firm of internal auditors.
- (v) Review with the internal auditors on the following and report the same to the Board:
 - (a) The annual audit plan which is risk-based and focused on significant risk areas to ensure adequate scope and comprehensive coverage over the activities of the Group and that it has the necessary authority to carry out its work;
 - (b) Effectiveness of the internal audit processes as well as the adequacy of the resource requirements, competency and the budget of the internal audit function;
 - (c) The internal audit report containing the internal audit findings, commentaries and recommendations and follow-up on remedial actions;
 - (d) Effectiveness of the internal control systems and risk management systems and have them considered if necessary; and
 - (e) External auditors' report of deficiencies in internal control and management's response thereto.
- (vi) Review the following and report the same to the Board:
 - (a) The Annual Statement of Internal Control to be published in the Annual Report;
 - (b) Any related party transactions and conflict of interest situations that may arise including any transactions, procedures or course of conduct that raises questions of management integrity;
 - (c) Any letter of resignation from the external auditors or suggestions for their dismissal; and
 - (d) Whether there is a reason (supported by grounds) to believe that the external auditor is not suitable for reappointment.
- (vii) Assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- (viii) To oversight of sustainability management of the Company;
- (ix) To oversight of anti-bribery management of the Company;
- (x) To appoint a Compliance Officer or the Committee Chairman to serve as a reporting channel role for whistle-blower who is concerned about speaking or by email of his/her concern;
- (xi) Carry out any other function that may be mutually agreed upon by the Committee and the Board;
- (xii) To conduct an annual assessment on the suitability, objectivity and independence of the external audit firm; and

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

- (xiii) Risk Management:
- (a) To review the adequacy of the Group's risk management framework and assess the resources and knowledge of the management and employee involved in the risk management process;
 - (b) To review the effectiveness of internal control systems deployed by the management to address those risks;
 - (c) To review and recommend corrective measures undertaken to remedy failings and/or weaknesses;
 - (d) To review and further monitor principal risks that may affect the Group directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks;
 - (e) To communicate and monitor the risk assessment results to the Board; and
 - (f) Actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting the Group.

5.3.2.2 Remuneration Committee

Our Remuneration Committee was established on 7 July 2022 and its members are appointed by our Board. Our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Goh Wen Ling	Chairperson	Independent Non-Executive Director
Dato' Dr. Rosini Binti Alias	Member	Independent Non-Executive Director
Dato' Nazipah Binti Jamaludin	Member	Independent Non-Executive Director
Chin Peck Li	Member	Independent Non-Executive Director

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits.

The duties and functions of our Remuneration Committee stated in the terms of reference, comprise, amongst others, the following:

- (i) To consider the scope of service agreements and remuneration of executive directors of the Group and make such recommendations to the respective Boards of Directors of the Group as the Committee thinks fit;
- (ii) To review and make recommendations to the respective Board of Directors of the Group on the remuneration policies and packages of executive directors, CEO and key senior management of the Group;
- (iii) To review the remuneration packages of the Directors, CEO and key senior management of the Group and recommend to the Board specific adjustments in remuneration packages, if any;

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

- (iv) To review and make recommendations to the respective Board of Directors of the Group on Director's fees and other remuneration of non-executive directors and independent directors linking the level of remuneration to their level of responsibilities and contribution to their respective Board of Directors;
- (v) To oversee any major changes in employee remuneration and benefit structures throughout the Group;
- (vi) To review policy governing the remuneration of Directors as well as policies governing remuneration and promotion of key senior management of the Group annually;
- (vii) To recommend to the Board the appointment of the services of such advisers or consultants, as it deems necessary to fulfil the responsibilities; and
- (viii) Other functions:
 - (a) to obtain such information as it may require on the remuneration of any executive director, executive officer or employee of the Group;
 - (b) to secure the attendance of any person with the relevant experience and expertise at committee meetings if the Remuneration Committee considers this appropriate;
 - (c) to ensure that performance-related elements of remuneration should form a significant proportion of the total remuneration package of executive directors, CEO as well as key senior management of the Group and should be designed to align their interests with those of shareholders and to give such executive directors, CEO and key senior management such incentives to perform at the highest levels;
 - (d) to recommend to the respective Board of Directors of the Group, reasonable remuneration packages needed to attract, retain and motivate the Group's executive directors and executive officers of the quality required;
 - (e) to consider and recommend to the respective Board of Directors of the Group, where to position the executive directors or executive officers relative to other companies and to be aware of what comparable companies are paying, taking account of relative performance and using such comparisons with caution; and
 - (f) to consider other matters as referred to the Remuneration Committee by the Board or the Board of Directors of the respective subsidiaries.

5.3.2.3 Nomination Committee

Our Nomination Committee was established on 7 July 2022 and its members are appointed by our Board. Our Nomination Committee comprises the following members:

Name	Designation	Directorship
Dato' Dr. Rosini Binti Alias	Chairperson	Independent Non-Executive Director
Dato' Nazipah Binti Jamaludin	Member	Independent Non-Executive Director
Chin Peck Li	Member	Independent Non-Executive Director
Goh Wen Ling	Member	Independent Non-Executive Director

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

The main function of our Nomination Committee is to assist our Board in fulfilling its responsibility in nominating new nominees to our Board and Board Committees (audit and risk management committee, remuneration committee and nomination committee) and ensure their compositions meet the needs of our Company, and to lead the succession planning of our Board members and assess the performance of our Board and individual Directors of our Company on an on-going basis.

The duties and functions of our Nomination Committee stated in the terms of reference, comprise, amongst others, the following:

- (i) To develop, maintain and review the criteria to be used in the recruitment of a Director and senior management;
- (ii) To formulate, maintain and review the re-appointment and re-election process of Directors having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- (iii) To formulate Fit and Proper Policy and to ensure that all Directors fulfil the fit and proper criteria and for conducting assessments of the fitness and properness of candidates to be appointed onto the Board and Directors who are seeking for re-election;
- (iv) To assess and recommend to the Board, candidates for all directorships to be filled by the Shareholders or the Board. In making the recommendations, our Nomination Committee will also consider candidates proposed by the CEO, and within the bounds of practicability, by any other senior management, Director or shareholder;
- (v) In making its recommendations, the Nomination Committee should consider the following attributes of the candidates or factors:
 - (a) technical competency, skills, knowledge, expertise and experience;
 - (b) strong sense of professionalism;
 - (c) background, character, integrity and competence;
 - (d) contribution and performance;
 - (e) other commitments and time available to contribute inputs to the Board;
 - (f) in the case of candidates for the position of independent non-executive Directors, the Committee should evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive Directors; and
 - (g) boardroom diversity including gender (at least 30% women directors), age and ethnicity diversity.

If the selection of candidates was solely based on recommendations made by existing board members, management or major shareholders, the Nomination Committee should explain why other sources were not used.

- (vi) To recommend to the Board the nominees to fill the seats on Board's Committees;
- (vii) To review the Board and key senior management succession plans and make recommendations to the Board on succession planning policy for management;
- (viii) To lead the succession planning and appointment of board members, including the future Chairman and CEO;
- (ix) To review the training needs/training programs for the Board and facilitate Board induction and training programs;
- (x) To review annually, the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether the Audit and Risk Management Committee and members have carried out their duties in accordance with the terms of reference of the Audit and Risk Management Committee;

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

- (xi) To implement an annual assessment on the effectiveness and performance of the Board as a whole, the committees of the Board, as well as the contribution/performance, character, experience, integrity, competence and time to effectively discharge his/her role as a Director, including non-executive Directors and executive Directors. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions should be properly documented together with the criteria used for such assessment;
- (xii) To examine the size of the Board with a view to determining the impact of the number upon its effectiveness;
- (xiii) To review the required mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board;
- (xiv) To develop the criteria to assess independence and to assess on an annual basis, the independence of the independent non-executive Directors and recommend the same to the Board;
- (xv) To recommend the retention of its independent non-executive Directors whose terms have exceeded nine (9) years tenure for continuance in the office;
- (xvi) To recommend the re-election of Directors who retired by rotation pursuant to the Company's Constitution;
- (xvii) To establish time commitment expectations/protocol for the members of the Board;
- (xviii) To review the attendance of the Directors at Board and/or Board Committee(s) Meetings;
- (xix) To establish a policy formalising its approach to boardroom diversity;
- (xx) To act in line with the directions of the Board;
- (xxi) To review with the CEO and the Executive Directors, their goals and objectives and to assess their performance against these objectives as well as their contribution to the corporate strategy;
- (xxii) To ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and the re-election of a director should be contingent on a satisfactory evaluation of the director's performance and contribution to the Board; and
- (xxiii) To consider and examine such other matters as the Nomination Committee considers appropriate including the activities of the Nomination Committee in the discharge of its duties for the financial year.

5.3.3 Service Contracts

As at the LPD, there are no existing and proposed service contracts entered or to be entered between our Group and our Directors or key senior management, which provide for benefits upon termination of employment.

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

5.3.4 Shareholdings in our Company

(i) Directors

The direct and indirect shareholdings of our Directors as at the LPD and after our IPO are as follows:

Directors	Before our IPO / As at the LPD				After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Liw Chong Liong	43,200,000	15.00	43,200,000	15.00 ⁽³⁾	43,200,000	11.19	43,200,000	11.19 ⁽³⁾
Lavern Chen	129,600,000	45.00	-	-	129,600,000	33.58	-	-
Chin Chee Cheah	-	-	-	-	200,000 ⁽⁴⁾	0.05	-	-
Lee Wei Kong	43,200,000	15.00	-	-	43,200,000	11.19	-	-
Dato' Dr. Rosini Binti Alias	-	-	-	-	200,000 ⁽⁴⁾	0.05	-	-
Dato' Nazipah Binti Jamaludin	-	-	-	-	200,000 ⁽⁴⁾	0.05	-	-
Chin Peck Li	-	-	-	-	200,000 ⁽⁴⁾	0.05	-	-
Goh Wen Ling	-	-	-	-	200,000 ⁽⁴⁾	0.05	-	-

Notes:

(1) Based on our issued share capital of 288,000,000 Shares before our IPO.

(2) Based on our enlarged issued share capital of 386,000,000 Shares after our IPO.

(3) Deemed interested by virtue of his shareholdings in MLCL Construction pursuant to Section 8(4) of the Act.

(4) Assuming full subscription of the Pink Form Shares.

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

(ii) Key Senior Management

The direct and indirect shareholdings of our key senior management in our Company as at the LPD and after our IPO are as follows:

Key senior management	Before our IPO / As at the LPD			After our IPO		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
Lavernt Chen	129,600,000	45.00	-	-	129,600,000	33.58
Chin Chee Cheah	-	-	-	-	200,000 ⁽³⁾	0.05
Wang Heong Ying	-	-	-	-	198,000 ⁽³⁾	0.05
Kiew Pei Fang	-	-	-	-	198,000 ⁽³⁾	0.05

Notes:

(1) Based on our issued share capital of 288,000,000 Shares before our IPO.

(2) Based on our enlarged issued share capital of 386,000,000 Shares after our IPO.

(3) Assuming full subscription of the Pink Form Shares.

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

5.4 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

5.4.1 Directors' Remuneration and material benefits in-kind

The details of the remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 2022 and FYE 2023 are as follows:

(i) Directors

(a) FYE 2022

Name/ Designation	Fixed and non-deferred remuneration			Variable and non-deferred remuneration			Total RM'000
	Directors' Fee RM'000	Salary RM'000	Other emolument ⁽¹⁾ RM'000	Bonus RM'000	Benefits-in-kind RM'000		
<i>NON-INDEPENDENT EXECUTIVE DIRECTORS</i>							
Lavernt Chen ⁽²⁾	-	342	40	13	-	395	
Chin Chee Cheah ⁽²⁾	-	115	14	5	-	134	
<i>INDEPENDENT NON-EXECUTIVE DIRECTORS⁽⁵⁾</i>							
Dato' Dr. Rosini Binti Alias ⁽³⁾	5	-	-	-	-	5	
Dato' Nazipah Binti Jamaludin ⁽³⁾	5	-	-	-	-	5	
Chin Peck Li ⁽³⁾	5	-	-	-	-	5	
Goh Wen Ling ⁽³⁾	5	-	-	-	-	5	
<i>NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN / DIRECTOR⁽⁵⁾</i>							
Liw Chong Liong ⁽⁴⁾	5	-	-	-	-	5	
Lee Wei Kong ⁽⁴⁾	5	-	-	-	-	5	

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

Notes:

- (1) Includes employer's contribution to EPF, SOCSO and EIS (where applicable).
- (2) Appointed as the Non-Independent Executive Director on 1 July 2022.
- (3) Appointed as the Independent Non-Executive Director on 7 July 2022.
- (4) Appointed as the Non-Independent Non-Executive Chairman / Director on 1 July 2022.
- (5) The pay-out to our Independent Non-Executive Directors and Non-Independent Non-Executive Chairman / Director is from August 2022 to December 2022.

(b) Proposed for the FYE 2023

Name	Fixed and non-deferred remuneration			Variable and non-deferred remuneration			Total RM'000
	Directors' Fee RM'000	Salary RM'000	Other emolument ⁽¹⁾ RM'000	Bonus ⁽²⁾ RM'000	Benefits- in-kind RM'000		
<u>NON-INDEPENDENT EXECUTIVE DIRECTORS</u>							
Lavernt Chen	24	288	36	-	-	348	
Chin Chee Cheah	24	120	16	-	-	160	
<u>INDEPENDENT NON-EXECUTIVE DIRECTORS</u>							
Dato' Dr. Rosini Binti Alias	30	-	-	-	-	30	
Dato' Nazipah Binti Jamaludin	24	-	-	-	-	24	
Chin Peck Li	30	-	-	-	-	30	
Goh Wen Ling	30	-	-	-	-	30	
<u>NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN / DIRECTOR</u>							
Liw Chong Liong	54	-	-	-	-	54	
Lee Wei Kong	42	-	-	-	-	42	

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

Notes:

(1) *Includes employer's contribution to EPF, SOCSO and EIS (where applicable).*

(2) *Bonuses for the FYE 2023 are not included. Such bonuses, if any, will be determined later depending on the performance of the individual Directors and the Group, subject to the recommendation of the Remuneration Committee and as approved by our Board.*

The remuneration of our Directors, which includes Directors' fees, bonuses and such other allowances as well as other benefits, must be considered and recommended by our Nomination Committee and Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved / endorsed by our shareholders in a general meeting.

(ii) Key Senior Management

The aggregate remuneration and material benefits-in-kind (including contingent or deferred remuneration) paid and proposed to be paid to Lavernt Chen and Chin Chee Cheah, who are also our key senior management, for the FYE 2022 and FYE 2023 are set out in Sections 5.4.1 (i)(a) and 5.4.1 (i)(b) (*Directors' Remuneration and material benefits in-kind*) of this Prospectus, respectively. The aggregate remuneration and material benefits-in-kind (including contingent or deferred remuneration) paid and proposed to be paid to the other key senior management for services rendered in all capacities to our Group for the FYE 2022 and FYE 2023 are as follows:

(a) FYE 2022

Name	Fixed and non-deferred remuneration		Variable and non-deferred remuneration	
	Salary RM'000	Other emolument ⁽¹⁾ RM'000	Bonus RM'000	Benefits-in-kind RM'000
Wang Heong Ying	50 - 100	0 - 50	0 - 50	-
Kiew Pei Fang	0 - 50	0 - 50	0 - 50	-

Note:

(1) *Includes employer's contribution to EPF, SOCSO and EIS.*

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

(b) Proposed for the FYE 2023

Name	Fixed and non-deferred remuneration		Variable and non-deferred remuneration	
	Salary RM'000	Other emolument ⁽¹⁾ RM'000	Bonus ⁽²⁾ RM'000	Benefits-in-kind RM'000
Wang Heong Ying	50 - 100	0 - 50	-	-
Kiew Pei Fang	0 - 50	0 - 50	-	-

Notes:

(1)

Includes employer's contribution to EPF, SOCSO and EIS.

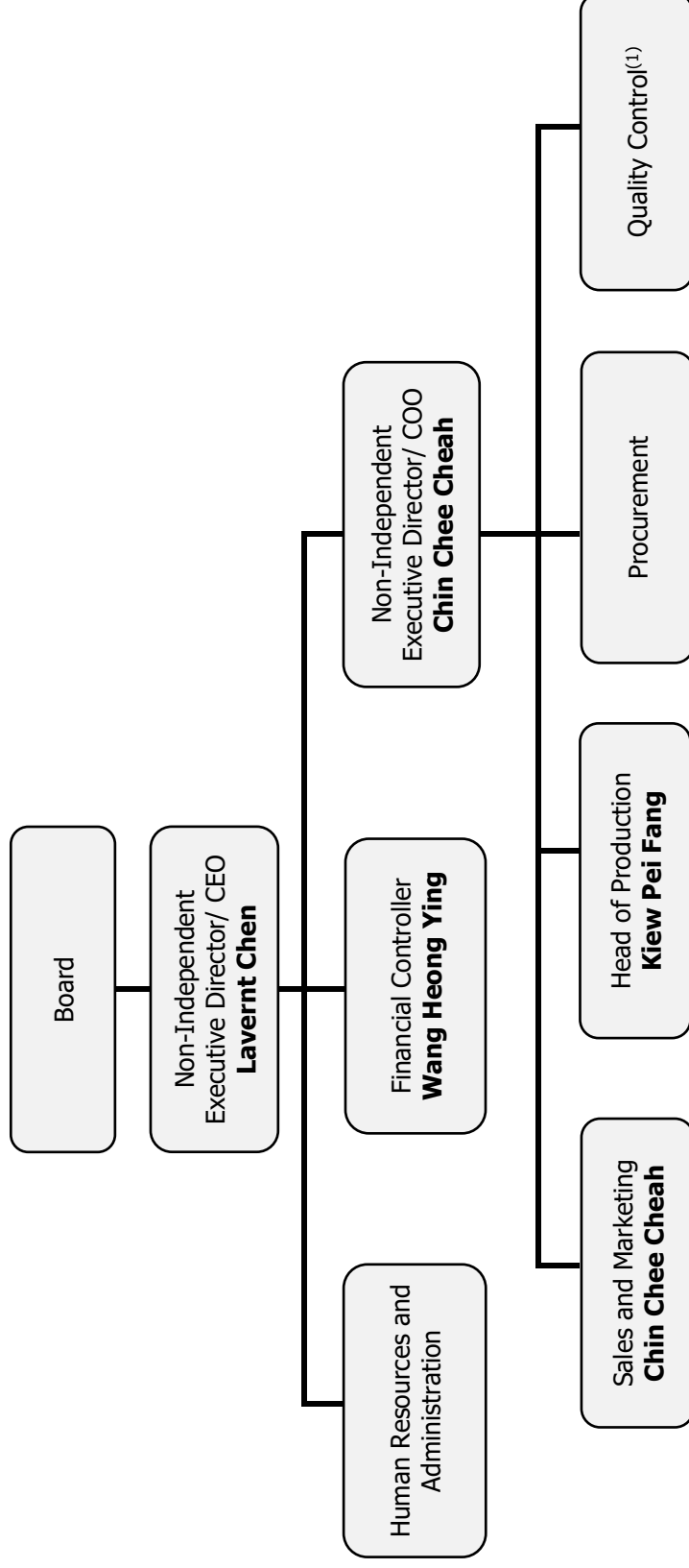
(2)

Bonuses for the FYE 2023 are not included. Such bonuses, if any, will be determined later depending on the performance of the individual and the Group, subject to the recommendation of the Remuneration Committee and as approved by our Board.

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

5.5 MANAGEMENT REPORTING STRUCTURE



Our Group recognises the importance of attracting and retaining talent and continuously identifying prospective second liners across key functions to undergo development programmes such as mentoring. Further, our Group also offers an attractive remuneration package for all its employees to ensure continuity and sustainability in our Group's businesses.

Note:

(1) Chin Chee Cheah, our Non-Independent Executive Director / COO, is responsible in overseeing the quality control function and she is assisted by one (1) operation executive.

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

5.6 DECLARATION FROM OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and key senior management is or has been involved in any of the following events (whether in or outside Malaysia):-

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership of which he was a partner or any corporation of which he was a director or member of key senior management in the last 10 years;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding in the last 10 years;
- (iv) any judgment was entered against him or her, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;
- (v) the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his or her part that relates to the capital market in the last 10 years;
- (vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him or her from engaging in any type of business practice or activity;
- (vii) has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; or
- (viii) any unsatisfied judgment against him or her.

5.7 FAMILY RELATIONSHIPS AND/OR ASSOCIATIONS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no family relationships and associations among our Promoters, substantial shareholders, Directors and key senior management as at the LPD:

- (i) Lavernt Chen, our Promoter, substantial shareholder and Non-Independent Executive Director / CEO is the son of Hew Hong Thee, who is our substantial shareholder (through her interest via Lavernt Chen and as a substantial shareholder of Gentle Rainbow); and
- (ii) Liw Chong Liong, our Promoter, substantial shareholder and Non-Independent Non-Executive Chairman is the Director and substantial shareholder of MLCL Construction.

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

5.8 MANAGEMENT SUCCESSION PLAN

Our Group has implemented a formalised Succession Planning Policy and succession plan, where we have put in place a process to groom successors to gradually assume the responsibilities of key senior management.

Besides identifying the critical duties to be discharged by the successors in the succession plan, the following skill requirements must also be developed by the successors, amongst others:

- managing financial activities;
- providing leadership and guidance to employees;
- communicating effectively to create and develop relationships;
- knowledge of our Group's industry and business; and
- purchasing and planning.

The Nomination Committee will review and update the succession plan annually or more regularly as the committee deem necessary to ensure our Group has reassessed the development progress of the identified successors and whether any recruitment is required.

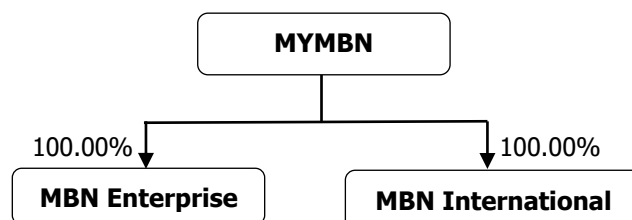
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6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 31 March 2022 as a private limited company under the name of MYMBN Sdn Bhd. We subsequently converted the status of our Company to a public limited company on 6 July 2022 for our Listing.

As at the LPD, our corporate Group structure is as follows:



We presently have offices in Malacca and one (1) collection centre in Kota Kinabalu, Malaysia. Our Headquarter and processing facility are located at Malacca with the business address Nos. 17, 19, 21, 23 and 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.

6.2 PRINCIPAL ACTIVITIES OF OUR GROUP

Our Group's principal activities as at the LPD are as follows:

Company	Principal activities
MYMBN	Investment holding company.
MBN Enterprise	Processing and sale of EBN.
MBN International ⁽¹⁾	Processing and sale of EBN.

Note:

(1) MBN International was incorporated on 17 October 2022, to house the operations to export RUCEN to Vietnam.

6.3 OUR GROUP

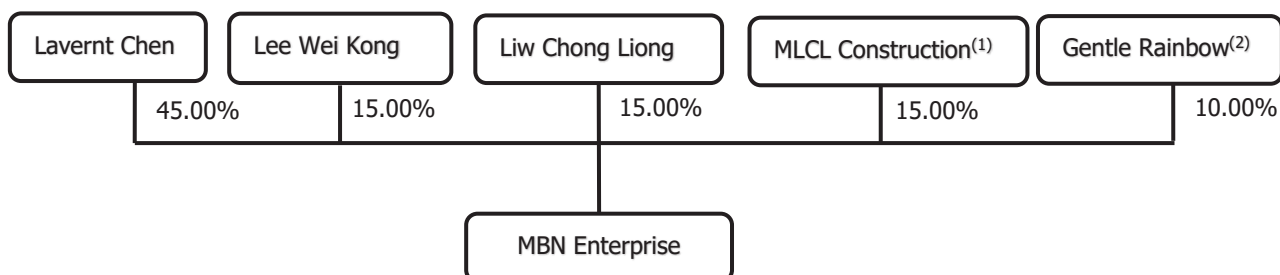
6.3.1 Acquisition of MBN Enterprise

In conjunction with our Listing, our Company had entered into the MBN Enterprise SSA with MBN Enterprise Vendors for the Acquisition of MBN Enterprise for a total consideration of RM10,800,000, which was fully satisfied by the issuance of 287,999,999 new Shares at an issue price of RM0.0375 each. The total purchase consideration of RM10,800,000 for the Acquisition of MBN Enterprise was arrived on a willing-buyer willing-seller basis, after taking into consideration the audited NA of MBN Enterprise as at 31 December 2021 of RM10,786,914.

6. INFORMATION ON OUR GROUP (CONT'D)

Before the Acquisition of MBN Enterprise

Prior to the completion of the Acquisition of MBN Enterprise, the shareholding structure of MBN Enterprise is as follows:



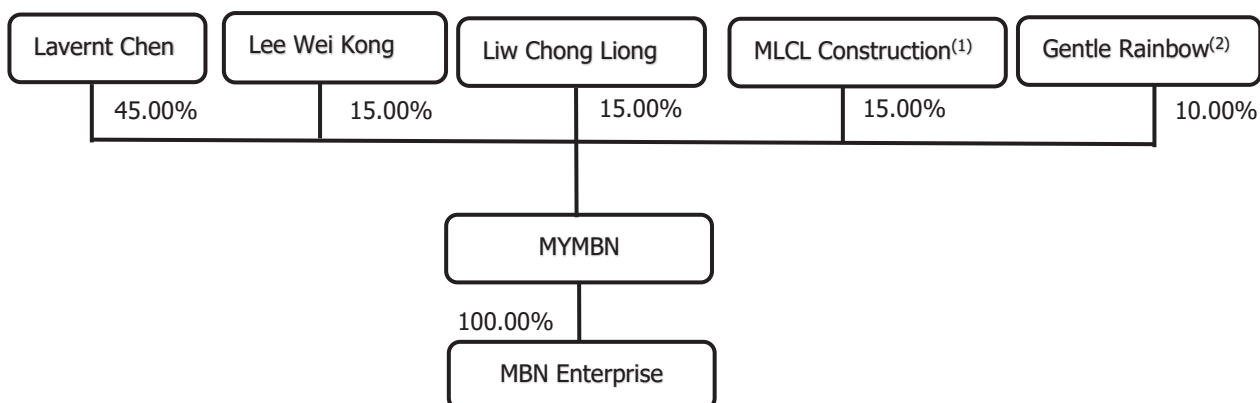
Notes:

(1) For details of the directors and shareholders, please see Section 5.1.2 (vii) (MLCL Construction) of this Prospectus.

(2) For details of the directors and shareholders, please see Section 5.1.2 (viii) (Gentle Rainbow) of this Prospectus.

After the completion of the Acquisition of MBN Enterprise

On 1 July 2022, the Acquisition of MBN Enterprise was completed and our Group structure and the shareholdings of the MBN Enterprise Vendors in our Company are as follows:



Notes:

(1) For details of the directors and shareholders, please refer to Section 5.1.2 (vii) (MLCL Construction) of this Prospectus.

(2) For details of the directors and shareholders, please refer to Section 5.1.2 (viii) (Gentle Rainbow) of this Prospectus.

6. INFORMATION ON OUR GROUP (CONT'D)

Pursuant to the Acquisition of MBN Enterprise, the number of Shares issued to MBN Enterprise Vendors in accordance with the MBN Enterprise SSA are as follows:

MBN Enterprise Vendors	Shareholdings in MBN Enterprise before completion of the MBN Enterprise SSA		Consideration for the Acquisition of MBN Enterprise	
	No. of shares held in MBN Enterprise	%	No of new Shares	RM
Lavernt Chen	225,000	45.00	129,599,999	4,860,000
Lee Wei Kong	75,000	15.00	43,200,000	1,620,000
Liw Chong Liong	75,000	15.00	43,200,000	1,620,000
MLCL Construction	75,000	15.00	43,200,000	1,620,000
Gentle Rainbow	50,000	10.00	28,800,000	1,080,000
Total	500,000	100.00	287,999,999	10,800,000

On the completion of the Acquisition of MBN Enterprise, MBN Enterprise becomes our wholly-owned subsidiary company.

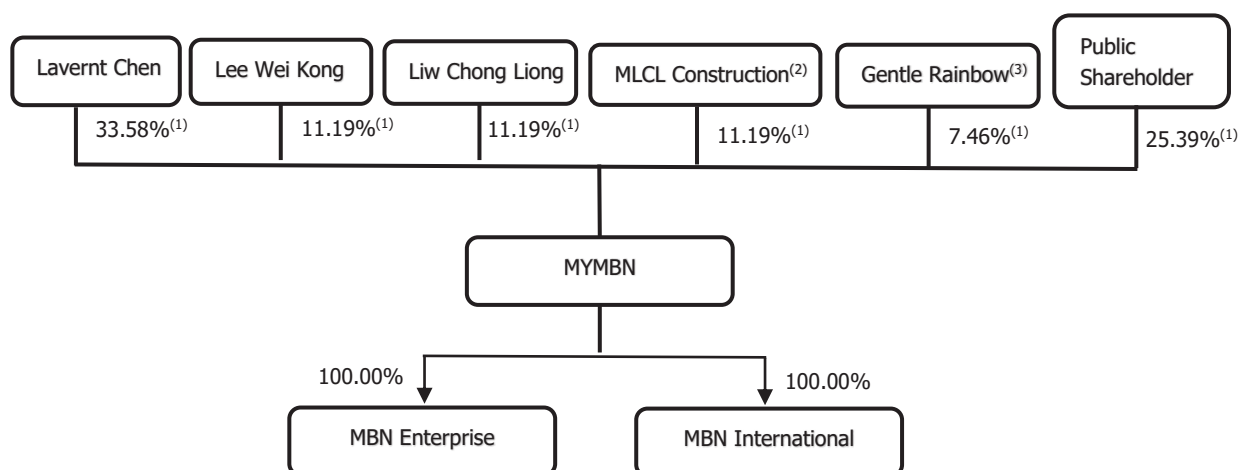
6.3.2 Incorporation of MBN International

On 17 October 2022, our Company has incorporated a new company to undertake the marketing and selling of our bird's nest products to Vietnam.

Please refer to Section 6.5.2 (*MBN International*) of the Prospectus for further information on MBN International.

Our Group Structure after the Incorporation of MBN International and our IPO

Upon Listing of our Shares on the Official List of the ACE Market of Bursa Securities, our shareholders will be as follows:

**Notes:**

(1) The percentages of shareholding above are calculated based on our enlarged issued share capital of 386,000,000 after our IPO.

6. INFORMATION ON OUR GROUP (CONT'D)

- (2) For details of the directors and shareholders, please refer to Section 5.1.2 (vii) (MLCL Construction) of this Prospectus.
- (3) For details of the directors and shareholders, please refer to Section 5.1.2 (viii) (Gentle Rainbow) of this Prospectus.

Save for the Subsidiaries, as at the LPD, our Group does not have any other subsidiary company, joint venture or associated company.

6.4 SHARE CAPITAL

As at the LPD, our issued share capital is RM10,800,001 comprising 288,000,000 Shares, all of which have been issued and fully paid-up. Upon Listing, our enlarged issued share capital will be RM31,380,001 comprising 386,000,000 Shares.

The changes in our issued share capital since the date of our incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Consideration	Nature of transaction	RM	No. of Shares
31 March 2022	1	Cash	Subscriber's Shares	1	1
1 July 2022	287,999,999	Consideration for Acquisition of MBN Enterprise	Allotment of Shares pursuant to the Acquisition of MBN Enterprise	10,800,000	287,999,999
Total issued share capital				<u>10,800,001</u>	<u>288,000,000</u>

There were no discounts, special terms or instalment payment terms given in consideration of the allotment.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

6.5 INFORMATION ON OUR SUBSIDIARIES

As at the LPD, the details of our Subsidiaries are as follows:

Name and Registration No.	Date / Place of incorporation	Principal place of business	Equity interest	Principal activities
MBN Enterprise 200901041245 (884395-X)	31 December 2009 / Malaysia	Malacca, Malaysia	100%	Processing and sale of EBN
MBN International 202201038444 (1484141-K)	17 October 2022 / Malaysia	Malacca, Malaysia	100%	Processing and sale of EBN

Further details of our Subsidiaries are set out in Sections 6.5.1 (MBN Enterprise) and 6.5.2 (MBN International) respectively.

6. INFORMATION ON OUR GROUP (CONT'D)

6.5.1 MBN Enterprise

(i) History and Business

MBN Enterprise was incorporated in Malaysia as a private limited company under the Act on 31 December 2009 under the name of Zaman Kuala Sdn Bhd before it assumed its present name on 24 August 2016. The company remained dormant since its incorporation until 2016. It commenced its business operations in January 2017.

MBN Enterprise is principally involved in the processing and sale of EBN. The principal place of business is in Malacca, Malaysia.

(ii) Share Capital

As at the LPD, the issued share capital of MBN Enterprise is RM500,000 comprising 500,000 ordinary shares.

The changes in the issued share capital of MBN Enterprise since the date of incorporation up to the LPD are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Consideration</u>	<u>Nature of transaction</u>	<u>RM</u>	<u>No. of shares</u>
31 December 2009	2	Cash	Subscriber's Shares	2	2
10 March 2017	499,998	Cash	Allotment of Shares	499,998	499,998
Total issued share capital				<u>500,000</u>	<u>500,000</u>

As at the LPD, MBN Enterprise does not have any outstanding warrants, options, convertibles securities or uncalled capital.

(iii) Shareholder

MBN Enterprise is a wholly-owned subsidiary of our Company.

(iv) Directors

The Directors of MBN Enterprise are Lavernt Chen, Lee Wei Kong and Liw Chong Liong.

(v) Subsidiary and Associate Company

As at the LPD, MBN Enterprise does not have any subsidiary company or associated company.

6.5.2 MBN International

(i) History and Business

MBN International was incorporated in Malaysia as a private limited company under the Act on 17 October 2022. It is principally involved in processing and sale of EBN and it commenced its business in February 2023. It will be used to house the operations to export RUCBN to Vietnam.

The principal place of business of MBN International is in Malacca, Malaysia.

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

As at the LPD, the issued share capital of MBN International is RM100.00 comprising 100 ordinary shares.

The changes in the issued share capital of MBN International since the date of incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration	Nature of transaction	RM	No. of shares
17 October 2022	100	Cash	Subscriber's Shares	100	100

As at the LPD, MBN International does not have any outstanding warrants, options, convertibles securities or uncalled capital.

(iii) Shareholder

As at the LPD, MBN International is our wholly-owned subsidiary.

(iv) Directors

The Directors of MBN International are Lavernt Chen and Chin Chee Cheah.

(v) Subsidiary and Associate Company

As at the LPD, MBN International does not have any subsidiary or associated company.

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7. BUSINESS OVERVIEW (CONT'D)

7.1 HISTORY AND BACKGROUND

Our Company was incorporated in Malaysia under the Act on 31 March 2022 as a private limited company under the name of MYMBN Sdn Bhd. We subsequently converted the status of our Company to a public limited company on 6 July 2022 for our Listing and assumed our present name. Our Company became the investment holding company of MBN Enterprise and MBN International following the completion of the Acquisition of MBN Enterprise on 1 July 2022 and the incorporation of MBN International on 17 October 2022.

Through our Subsidiaries, we are principally engaged in the processing and sale of EBN.

Our Group's history began with the incorporation of Zaman Kuala Sdn Bhd on 31 December 2009 before it changed its name to MBN Enterprise on 24 August 2016. Zaman Kuala Sdn Bhd was set up by two (2) individuals with a paid-up capital of RM2.00 comprising two (2) ordinary shares. The directors and shareholders were Tee Lee Hon and Tan Kim Heng. Subsequently, on 8 March 2010, Tee Lee Hon and Tan Kim Heng resigned as directors and disposed of their one (1) ordinary share respectively to Mohd Asri bin Md Arshad and Fauziah binti Abdul Malek, and they were appointed as the directors of Zaman Kuala Sdn Bhd on the same day. These individuals were not related to our Group's Promoters, substantial shareholders and Directors. Under the directorship of Mohd Asri bin Md Arshad and Fauziah binti Abdul Malek, Zaman Kuala Sdn Bhd has not undertaken any business activities and remained dormant until 2012.

On 20 November 2012 when Liw Chong Liong, our Non-Independent Non-Executive Chairman and his business partner, Lee Keng Lip acquired respectively one (1) ordinary share each at a purchase consideration of RM1.00 each ordinary share in Zaman Kuala Sdn Bhd from Mohd Asri bin Md Arshad and Fauziah binti Abdul Malek. On the same day, Liw Chong Liong, Liw Chee Yen and Lee Keng Lip were appointed as directors of Zaman Kuala Sdn Bhd.

The company was acquired as part of Liw Chong Liong and Lee Keng Lip's intention of venturing into property development and land acquisition activities. However, the intended plans did not materialise and Zaman Kuala Sdn Bhd remained dormant until 2016.

In 2013, the authorities from Malaysia and the PRC began exploring the possibility of exporting RUCEBN directly to the PRC. During that time, Liw Chong Liong was already involved in the swiftlet farming business and saw this as an opportunity to export RUCEBN directly to the PRC. Between 2013 and 2016, Liw Chong Liong continued to study and explore the processes and procedures involved in the export of RUCEBN to the PRC.

In 2016, Liw Chong Liong approached Lavernt Chen and Lee Wei Kong, both of whom are also the members of the Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*), to explore the possibility of venturing into the business of exporting RUCEBN directly to the PRC. Lavernt Chen and Lee Wei Kong have more than 20 and 15 years of experience respectively in the bird's nest industry, with Lavernt Chen involved in various segments of the bird's nest industry's supply chain, from swiftlet farming to processing and trading of EBN. Lavernt Chen was exposed to the bird's nest industry at a young age as his family had a swiftlet farming business. Prior to joining MBN Enterprise, he was a director and major shareholder of CVW Ventures, a company involved in the trading and sale of EBN. He represents the Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*) in the Federation of Malaysia Bird's Nest Merchants Association (Persekutuan Persatuan Pedagang Sarang Burung Malaysia). Lee Wei Kong, on the other hand has over 15 years of experience in bird's nest farming and related investments. Further details of their experiences are available in Section 5.1.2 (*Profiles of our Promoters and substantial shareholders*) of this Prospectus.

On 24 August 2016, Zaman Kuala Sdn Bhd changed its name to MBN Enterprise to venture into the midstream segment of the EBN industry, specifically in the processing and sale of RUCEBN. On 19 December 2016, Lee Keng Lip and Liw Chee Yen resigned as directors of MBN Enterprise and Lee Keng Lip disposed of his one (1) ordinary share in the company to Lee Wei Kong at RM1.00 on 23 December 2016. Lavernt Chen and Lee Wei Kong were also appointed as directors on 19 December 2016.

7. BUSINESS OVERVIEW (CONT'D)

Lavernt Chen assumed an executive director role since his appointment in December 2016 where he was responsible for overseeing the daily operations of MBN Enterprise. On the other hand, Liw Chong Liong and Lee Wei Kong are the non-executive directors and they are not involved in the day-to-day operations of MBN Enterprise.

We commenced our business in January 2017 by focusing on serving customers from the local and selected overseas market, such as Hong Kong. In January 2017, MBN Enterprise shared premises with CVW Ventures known as Unit 17 and Unit 19, both located in Taman Melaka Raya, Melaka, Malaysia. Subsequently in April 2017, we rented the aforementioned units from CVW Ventures, which were then renovated to become our office-cum-processing facility. The renovation was completed in May 2017. In July 2019, we acquired Unit 17 and Unit 19 from CVW Ventures and the acquisition was completed in July 2020. In 2017, our estimated total annual processing capacity in Unit 17 and Unit 19 was 3,456 kg of RUCEBN.

Subsequently on 10 March 2017, Liw Chong Liong, Lee Wei Kong, Gentle Rainbow, MLCL Construction and CVW Ventures collectively subscribed for a total of 499,998 new ordinary shares in MBN Enterprise. The directors and shareholders of CVW Ventures were Lavernt Chen, Khaw Wai Meng and Wang Juan. On 30 November 2021, CVW Ventures disposed of 225,000 ordinary shares (representing its entire shareholdings) in MBN Enterprise to Lavernt Chen (135,000 ordinary shares in MBN Enterprise at RM135,000.00) and Wang Juan, spouse of Lavernt Chen (22,500 ordinary shares in MBN Enterprise at RM22,500.00), as well as Khaw Wai Meng (67,500 ordinary shares in MBN Enterprise at RM67,500.00) who is a non-related party to our Group. Subsequently, on 16 December 2021, Wang Juan and Khaw Wai Meng disposed of their respective 22,500 ordinary shares and 67,500 ordinary shares in MBN Enterprise at the sale consideration of RM22,500.00 and RM547,479.00 to Lavernt Chen.

To increase our processing capacity, we acquired the adjoining shop-offices known as Unit 23 in December 2017 and Unit 21 in January 2018 from a non-related party. The acquisition of Unit 21 was completed in June 2018 while the acquisition of Unit 23 was completed in April 2021. While pending completion of the acquisition of Unit 23 which was subject to the State Consent, we rented Unit 23 from the owner, a non-related party from November 2019 to April 2021.

Our Group is cognisant of the needs to ensure the quality of our products and we have undertaken continuous efforts to that effect from the onset. In January 2019, we received the VHM Certificate from the DVS which certifies that our processing operation complies with the required quality standards for animal-based processing companies. The certification is compulsory for companies that export animal products out of Malaysia. We subsequently received the GMP Certificate and MeSTI certificate both from MOH in April 2019 and May 2019, respectively.

The GMP Certificate is accredited to companies which have complied with a set of established guidelines that control the operational conditions within a food processing establishment allowing for the production of safe food, while MeSTI certificate is accredited to companies involved in the manufacturing of food products and have developed and implemented food safety assurance programme that meets safety requirements.

In August 2018, GACC has registered MBN Enterprise as an overseas manufacturer of imported food which approval was subsequently granted in September 2019. The approval from GACC in September 2019 marked a major milestone and MBN Enterprise became the first company in Malaysia to export RUCEBN to the PRC. This was soon followed by our first shipment to the PRC in November 2019, where 150 kg of RUCEBN was delivered to a customer in Qin Zhou, PRC. Subsequently, in the same month, MBN Enterprise delivered 312 kg to a customer in Xiamen Province, PRC. In December 2019, MBN Enterprise shipped 156 kg to a customer in Dalian City, PRC.

With the GACC approval and the bigger operating spaces, we made further improvements to our production workflow which resulted in an increase in our estimated annual processing capacity to 10,368 kg of RUCEBN in year 2020. In addition, we also invested in a customised heat treatment machine which is used to apply heat to the bird's nests to eliminate potential viruses, such as Newcastle Disease and Avian Influenza from the bird's nests.

7. BUSINESS OVERVIEW (CONT'D)

In 2020, we exported our largest shipment to the PRC, weighing 1,010 kg of RUCEBN. The shipment was marked with a launching ceremony officiated by the Director General of the DVS. We were also accepted as a member of the Bird Nest Credit Alliance of Registration and Certification. In the same year, we expanded our operation by acquiring an additional adjoining corner shop office known as Unit 25. The additional shop office allowed us to streamline and improve our operation flow.

In 2021, we expanded our drying and packing area to cater to the increased demand. The completion of the expansion resulted in an increase in our estimated annual processing capacity to 18,432 kg of RUCEBN.

In 2022, we commenced operation of our first collection centre in East Malaysia in Kota Kinabalu, Sabah. In the same year, our estimated annual processing capacity is 23,040 kg of RUCEBN.

In 2023, we successfully exported our first batch of RUCEBN to Vietnam. We also obtained HALAL certification for our RUCEBN and obtained the renewed approval from the GACC to export RUCEBN to the PRC.

The table below summarises our Group's major achievements and milestones since our commencement of operations:

Year	Description
2017	<ul style="list-style-type: none"> Commenced operations as a processor of EBN with an estimated annual processing capacity of 3,456 kg of RUCEBN Successfully exported our RUCEBN to Hong Kong
2018	<ul style="list-style-type: none"> Completed the acquisition of Unit 21
2019	<ul style="list-style-type: none"> Obtained the VHM, GMP and MeSTI certifications Obtained approval from the GACC to export RUCEBN to the PRC Successfully exported our first batch of RUCEBN to the PRC
2020	<ul style="list-style-type: none"> Exported our largest consignment to the PRC, weighing 1,010 kg of RUCEBN Completed the acquisition of Unit 17 and Unit 19 Estimated annual processing capacity increased to 10,368 kg of RUCEBN
2021	<ul style="list-style-type: none"> Completed the acquisition of Unit 23 and Unit 25 Further expanded our drying and packing areas, resulting in an increase of estimated annual processing capacity to 18,432 kg of RUCEBN
2022	<ul style="list-style-type: none"> Commenced operation of our first collection centre in East Malaysia in Kota Kinabalu, Sabah
2023	<ul style="list-style-type: none"> Successfully exported our first batch of RUCEBN to Vietnam Obtained HALAL certificate for RUCEBN Successfully renewed approval from the GACC to export RUCEBN to the PRC

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7. BUSINESS OVERVIEW (CONT'D)

7.2 PRINCIPAL ACTIVITIES AND BUSINESS MODEL OF OUR GROUP

Our business model is as illustrated below:

Principal business activities	Processing and sale of EBN, specifically RUCEBN.		
Products	Our RUCEBN are available in four (4) categories namely, Guan, Tian, Ban and Cui series.		
Customers	EBN Traders	Processors of RCEBN	Manufacturers of EBN-related products such as F&B, cosmetic, etc.
Our competitive strengths	<p>Experienced management team Stringent quality control measures Wide supplier network throughout Malaysia One of the pioneers in supplying to the PRC, the largest market for bird's nests</p>		

7.2.1 RUCEBN

Our Group is principally involved in the processing and sale of EBN, specifically the RUCEBN.

EBNs are processed nests of swiftlets, which are made from strands of swiftlets' saliva. In the Chinese community, bird's nest is believed to provide health and medicinal benefits. It can be prepared in several ways, either in savoury soups, desserts or added with medicinal herbs. It is also used as an ingredient in food and beverages, and skincare products.

Our products are processed in-house at our processing facility in Taman Melaka Raya, Melaka, Malaysia. Our operations have been assessed and accredited with the certifications required to process and export our products. These compulsory certifications include VHM Certificate from DVS and GMP Certificate and MeSTI certificate, both from the MOH. Our Group only source raw bird's nests from swiftlet houses under our list of Approved Suppliers, which comprises of bird's nests farmers, traders and agents located throughout Malaysia. In the context of this Prospectus, traders are usually registered businesses operating on a larger scale with premises of their own, while agents are mostly individuals operating alone on a smaller scale. They are evaluated based on several criteria, which include (i) swiftlet houses with identification registration and myGAP certification from DVS, (ii) product quality as well as (iii) the consistency of supply. As at the LPD, we have 18 Approved Suppliers with 224 swiftlets houses from whom we source our raw bird's nests. There are 14,307 swiftlet houses and 5 swiftlet caves that have been registered, and 2,143 swiftlet houses have successfully obtained myGAP certification until August 2022 according to the Ministry of Agriculture and Food Industries.

EBN can be grouped into two (2) main categories, namely RUCEBN and RCEBN, with the major distinguishing factors being the extent to which these EBN are processed. RCEBN products are EBN that have undergone processes such as grading and sorting, trimming, soaking, picking of feathers and impurities, moulding, drying, heat treatment, packaging and weighing.

RUCEBN on the other hand, are subjected to a series of processing, ranging from inspection, grading, and trimming; drying, quality control and weighing; heat treatment; and lastly, it will be packaged and labelled before being sold to the customers. In general, the difference between RCEBN and RUCEBN is that RUCEBN does not involve the processes of soaking, picking of feathers and impurities, and moulding.

7. BUSINESS OVERVIEW (CONT'D)

Our RUCEDN products are generally sold to manufacturers of bird's nest-related products such as food and beverages, processors of RCEBN and traders of EBN products. Our products are mostly exported to the PRC, with the remaining being sold to customers in Malaysia.

According to the IMR Report, the PRC is the largest consumer of EBN in the world. The growth and reproduction of swiftlets require a series of appropriate environmental conditions such as humidity of around 80% to 90%, temperature of between 26°C and 35°C, as well as sufficient food sources. As the PRC's climate is generally not suitable for the farming of swiftlet nests, except for the southern region of the PRC, the country's domestic production of EBN is negligible. As such, the country relies on imports to fulfil its demand for EBN.

Our RUCEDN products are available in four (4) categories namely the Guan "官系列", Tian "天系列", Ban "般系列" and Cui "翠系列" series, according to the quality which is determined by their shape, colour and amount of feathers and impurities in the bird's nests. The table below highlights the types of categories and their respective attributes:

Guan Series "官系列"



Guan Cup ("官平")



Guan Triangular ("官角")



Guan Strip ("官条")

Sub-series

Shape

Colour

Features

Cup

Triangular

Strip

White

White

White

RUCEDN with white cup shape, triangular shape and strip with minimal feathers.

Tian Series "天系列"



Tian Cup ("天平")



Tian Triangular ("天角")



Tian Strip ("天条")

Sub-series

Shape

Colour

Features

Cup

Triangular

Strip

White/ Beige

White/ Beige

White/ Beige

RUCEDN that is available in cup shape, triangular shape and strips with medium amount of feathers. Products in this category are generally white to beige in colour.

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7. BUSINESS OVERVIEW (CONT'D)

Ban Series “般系列”



Ban Oval (“般圓”)



Ban Triangular (“般角”)

Sub-series

Shape

Oval

Triangular

Colour

Beige/ Yellow

Beige/ Yellow

Features RUCEBN with yellow coloured cup shape and triangular shape with medium to heavy amount of feathers.

Cui Series “翠系列”



Cui Horn (“翠片”)



Cui Fragments (“翠碎”)

Sub-series

Shape

Horn

Fragments

Colour

White/ Beige

White/ Beige

Features RUCEBN that comes in fragments such as horn, chip and base part of the nest, in white to beige colour, with medium amount of feathers.

7.3 COMPETITIVE POSITION

7.3.1 Experienced founders and management team

Our Group is led by our Non-Independent Executive Director / CEO, Lavernt Chen who has more than 20 years of hands-on experience in the bird’s nest industry, having been involved in his family’s swiftlet farming business at an early age. He oversees the overall operations of our Group.

Our Group’s Non-Independent Non-Executive Chairman and Non-Independent Non-Executive Director, namely Liw Chong Liong and Lee Wei Kong, respectively are experienced participants in the bird’s nest industry.

Lavernt Chen is the current President of Melaka Bird’s Nest Merchants Association (Persatuan Pedagang Sarang Burung Melaka), which he holds such position since 2018. He is also the Vice President of Federation of Malaysia Bird’s Nest Merchants Association (Persekutuan Persatuan Pedagang Sarang Burung Malaysia) from 2017 to 2018, thereafter he holds the position as the Secretary of the association from 2018 to June 2022. He was then elected as the Vice President of the association and holding such position until present. He was also part of the team that established the guidelines known as GMP Process for Processing of Raw-Unclean and Raw-Clean Edible Birdnest (MS 2333:2010) for Standards Malaysia, a national standards and accreditation body of Malaysia. In addition, he was also part of the working group that established the EBN Specifications (MS 2334:2011) for Standards Malaysia.

7. BUSINESS OVERVIEW (CONT'D)

Liw Chong Liong was the Vice President of the Federation of Malaysia Bird's Nest Merchants Association (*Persekutuan Persatuan Pedagang Sarang Burung Malaysia*) from 2014 to 2018 and President of Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*) from 2012 to 2017.

Lee Wei Kong, on the other hand, has been the Vice President of Melaka Bird's Nest Merchants Association (*Persatuan Pedagang Sarang Burung Melaka*) since 2015, a role that he is currently held until present.

In the year 2015, Liw Chong Liong, our Non-Independent Non-Executive Chairman and Lavernt Chen participated as members of the project committee to develop the CoVP for the RUCEBN industry with the objectives to (i) improve and maintain the quality of the RUCEBN industry in Malaysia; (ii) ensure the sustainability of RUCEBN industry in Malaysia; and (iii) assist the RUCEBN industry in international trade.

Our Non-Independent Executive Directors are supported by a team of key senior management, who possess the necessary experience in their fields of expertise. Our COO, Chin Chee Cheah has more than 17 years of experience in the bird's nest industry and is responsible for the entire processing operations and procurement activities of our Group. Our Production Department is headed by Kiew Pei Fang who has more than 6 years of experience in the bird's nest industry and is responsible for overseeing the processing activities, including sorting and grading of RUCEBN.

Our Directors are also well-versed in the regulations and guidelines governing the bird's nest industry, and they are actively involved in the promotion and development of the bird's nest industry in Malaysia.

7.3.2 Stringent quality control measures

We place a strong emphasis on quality control and quality assurance procedures as part of our commitment to provide quality products. We developed and maintained standard operating procedures and protocols that comply with regulations set forth by authorities governing the food and safety areas. As at the LPD, our operations have been assessed and accredited with certifications such as the VHM Certificate from DVS and the GMP Certificate and MeSTI certificate, both from MOH. In order to obtain the VHM certification, requirements such as establishing an approved set of operational guidelines within the processing facility and implementing a food safety assurance programme must be met. As part of our operations, we are also required to obtain relevant documents amongst others, export permits, certificates of origin and veterinary health certificates. In addition, our quality commitments also extend to the sourcing of raw bird's nests, where we only source from Approved Suppliers who have obtained swiftlet house with identification registration and myGAP certification from DVS. This ensures that our products are sourced from safe and sustainable operations, which also enhances traceability in terms of food safety. We have also obtained the necessary approvals from GACC to export RUCEBN products to the PRC, which will require us to register with DVS, to obtain VHM Certificate from DVS, to have a food safety management system and processing facility to be inspected by DVS on an annual basis, as well as a few of our major customers when they deem necessary if they would like to have a better understanding of our process flow.

Further details of our Group's quality control and quality assurance measures are available in Section 7.22 (*Quality Control Procedures*) of this Prospectus.

7.3.3 Wide supplier network throughout Malaysia

Since the commencement of our operations in January 2017, we have built a wide supplier network to source raw bird's nests for our processing operations. Our supplier network consists of bird's nests farmers, traders and agents located throughout Malaysia. As at the LPD, we have 18 Approved Suppliers with 224 swiftlets houses, whom we source our raw bird's nests from. This represents approximately 10.45% of the total myGAP certified swiftlet houses in Malaysia. We only source raw bird's nests from Approved Suppliers that have registered with DVS and certified with myGAP certification issued by DVS, in order to ensure the ability to trace the origin of the products. At the

7. BUSINESS OVERVIEW (CONT'D)

same time, we are also continuously sourcing for additional Approved Suppliers to strengthen our supplier network.

The wide supplier network provides us with a consistent supply of quality raw bird's nests to meet high demands from overseas customers.

7.3.4 One of the pioneers in supplying RUCEBN to the PRC, the largest market for bird's nest

According to the IMR Report, the PRC is the largest consumer of EBN in the world, consuming more than 60% of total EBN production. As the PRC's climate is generally not suitable for the farming of swiftlet nests, except for the southern region of the PRC, the country's domestic production of EBN is negligible. As such, the country relies on imports to fulfil its demand for EBN. Going forward, the EBN industry in the PRC will continue to expand with more EBN products driving consumption by larger pool of customers, greater access to EBN being enabled by rise of e-commerce platforms, as well as the growing spending power of the population.

Malaysia is one of the major EBN producing countries in the Southeast Asian region, according to the IMR Report. As at the LPD, Malaysia is also the only country recognised by the PRC for the exportation of RUCEBN. (Source: CAIQ 2022 年度燕窝溯源报告, Chinese Academy of Inspection and Quarantine)

We are one of the pioneers in supplying RUCEBN to the PRC. In 2019, we became the first company in Malaysia approved by the GACC, to export RUCEBN to the PRC. Within the same year, we shipped our first shipment of 150 kg of RUCEBN to our customer in Qinzhou in the PRC. In 2020, we exported our largest single shipment to the PRC, weighing 1,010 kg of RUCEBN.

Being one of the pioneers, we are able to establish ourselves as the preferred supplier of RUCEBN from Malaysia. We are able to attract new, prospective customers for our products, which are marketed under our MBN Enterprise brand and logo. Additionally, we are able to quickly build a good working relationship and track record with customers in the PRC's EBN industry. Over time, as the relationship matures, customers are unlikely to switch to other suppliers given our established business relationship.

7.4 REVENUE CONTRIBUTION BY PRINCIPAL MARKETS

Our Group operates in Malaysia and mainly serves customers based in Malaysia and the PRC. A breakdown of our Group's revenue from our principal markets for the FY Under Review is set out in the table below:

Country	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
PRC	3,096	26.02	44,222	99.58	90,984	99.38	67,872	98.55
Malaysia	6,777	56.97	186	0.42	572	0.62	999	1.45
Hong Kong	2,024	17.01	-	-	-	-	-	-
Total	11,897	100.00	44,408	100.00	91,556	100.00	68,871	100.00

During the FY Under Review, our sales have increased from RM11.90 million in FYE 2019 to RM44.41 million in FYE 2020, RM91.56 million in FYE 2021 and subsequently decreased to RM68.87 million in FYE 2022. Throughout the period, our sales to the local market decreased from RM6.78 million in FYE 2019 to RM0.19 million in FYE 2020 before increasing to RM0.57 million in FYE 2021 and subsequently to RM1.00 million in FYE 2022. Save for FYE 2022, our sales to the PRC have increased throughout the years. Our Company began exporting our RUCEBN products to the PRC in 2019, where our Group recorded exports of RM3.10 million or 618 kg of RUCEBN in FYE 2019.

Our Group's sales to the PRC increased by 1,328.36% in FYE 2020, where it recorded exports of RM44.22 million or 9,384 kg of RUCEBN. Our exports to the PRC continued to increase and in FYE 2021, our Group exported RM90.98 million or 18,763 kg of RUCEBN to the PRC, which represented

7. BUSINESS OVERVIEW (CONT'D)

an increase of 105.74% over the previous year. In FYE 2022, our exports to the PRC decreased to RM67.87 million or 15,075kg of RUCEBN due to the Zero-COVID Measures. The Zero-COVID Measures had limited the ability of the RCEBN processing companies in the PRC to operate as usual and negatively impacted the consumer spending across the PRC resulting in slowdown in our sales of RUCEBN to the PRC and a decrease of our average selling price.

Our Group recorded exports of RM2.02 million in FYE 2019 in Hong Kong, however we have subsequently discontinued our exports to Hong Kong upon obtaining the approval from GACC to export RUCEBN to the PRC in September 2019, in order to cater for the demands for our RUCEBN products directly from the PRC. Notwithstanding that, our Group will continue to serve the Hong Kong's customers provided that there is a demand for our RUCEBN products at a competitive selling price.

7.5 SEASONALITY

Our operations are subject to seasonality factors which affect the demand and supply of bird's nests. The quality of bird's nests is dependent on, amongst others, the weather conditions, where higher quality bird's nests are harvested during the monsoon season while hotter and warmer weather periods may lead to a decrease in the bird's nests' quality.

In terms of demands, we generally experience higher demands during the festive and holiday periods, such as the Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival. In addition, demands for bird's nest products are higher in the months from September to February when the weather is cooler.

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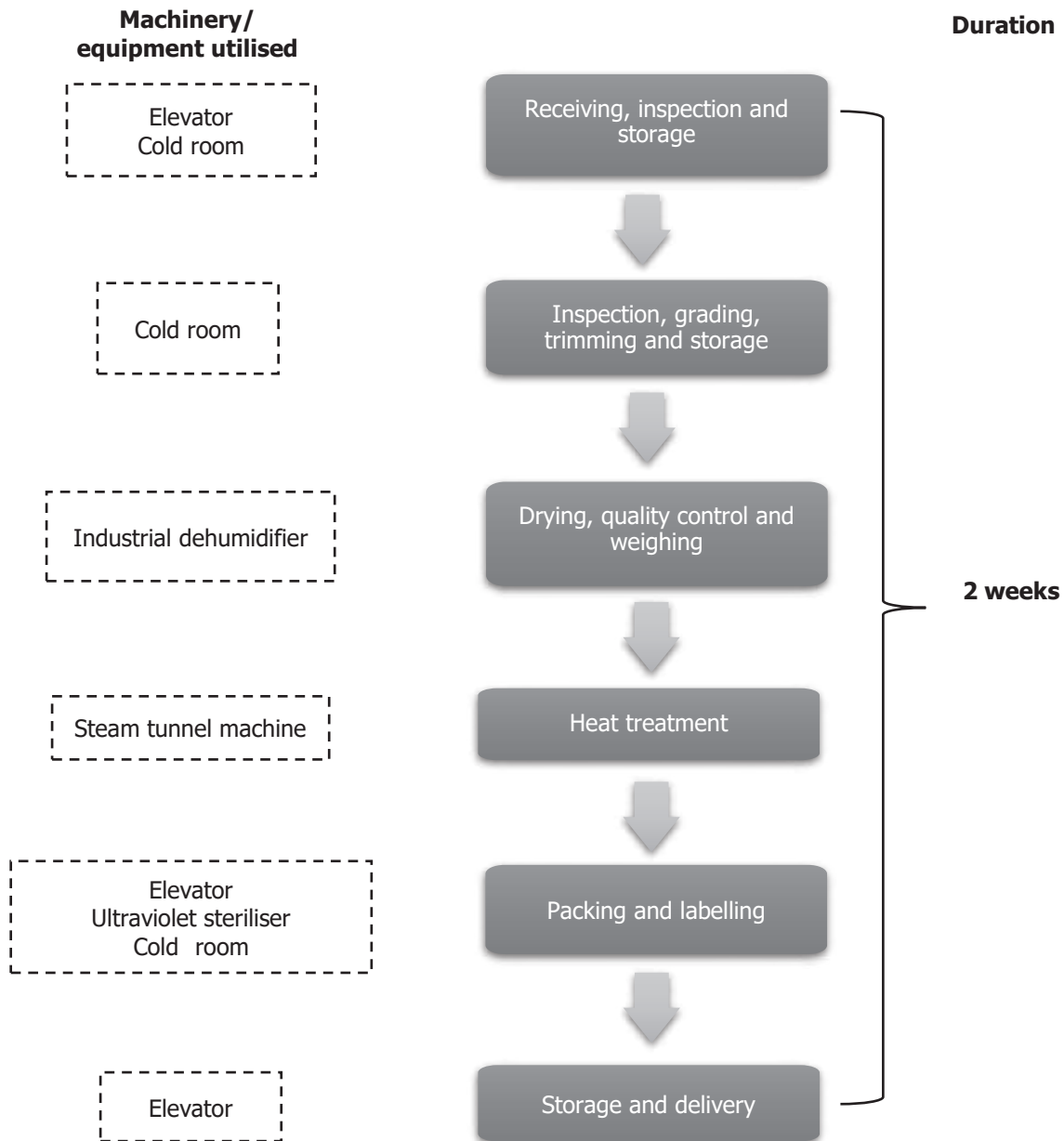
7. BUSINESS OVERVIEW (CONT'D)

7.6 BUSINESS AND OPERATION PROCESS

7.6.1 Process Flow

Our Group sources and processes RUCEBN based on the availability of raw bird's nests, as well as our customers' preferred grades, types and quantity of bird's nests. We will provide information on our availability of raw bird's nests to our customers. Thereafter, negotiation will be conducted between us and our customers on the specification of the type and quantity of RUCEBN according to our customers' requirements. Once the terms of the sales contracts are finalised, we will fulfil the customer's order based on our availability of raw bird's nests and/or source for the required raw bird's nests for processing.

The general process flow of our Group's processing activities is as follows:



7. BUSINESS OVERVIEW (CONT'D)

Receiving, inspection and storage

We received raw bird's nests from our Approved Suppliers by hand or via third (3rd) party logistic service providers either by air or land. Upon receipt of raw bird's nests from our Approved Suppliers, we will conduct a preliminary inspection, such as checking the condition, quality, weight and appearance of the raw bird's nests. Once checked, raw bird's nests that do not meet our requirements will be rejected and returned to our Approved Suppliers. The selected raw bird's nests are weighed, sorted and stored in an assigned chilled storage space. The selected raw bird's nests are then carefully segregated between stages of production as described below to prevent contamination.

The incoming quality control process is conducted on each incoming batch of raw bird's nests. The raw bird's nests are then processed in batches and identified by batch number, as part of our efforts to ensure traceability throughout the supply chain.

Inspection, grading, trimming and storage

The stored raw bird's nests are then brought to a pre-processing room where our workers inspect the raw bird's nests, whereby each piece is checked for its colour and impurities according to our quality control checklist. Once inspected, the raw bird's nests are then subjected to a series of primary processing, where our workers remove twigs, soil, feathers (excluding fine feathers) and other impurities and foreign materials according to our in-process quality control checklist. Our workers will then trim the raw bird's nests to standardise its presentation. The standardised raw bird's nests are then graded, sorted and stored accordingly in the chilled storage area at temperatures of not more than 4-degree Celsius, where we check twice a day to ensure temperatures remain at the required temperature.

Drying, quality control and weighing

The graded and sorted bird's nests then undergo a drying process in a designated drying room with fans and dehumidifiers for approximately an hour to reduce the moisture content of the bird's nests. After the drying process, the graded and sorted bird's nests will then be weighed. The graded and sorted bird's nests are then inspected to ensure it contain the required moisture levels.

Heat treatment

The graded and sorted bird's nests are then moistened by spraying water to reduce their brittleness. As required for the exportation of RUCBN to the PRC, the graded and sorted bird's nests are then loaded onto trays and put through our heat treatment machine for a minimum of 4 seconds at a temperature above 70-degree Celsius to eliminate potential viruses such as Newcastle Disease and Avian Influenza. Once completed, we will check the bird's nests to ensure the appearance and condition of the bird's nests remain in the desired specification. The bird's nests are then kept at an assigned bay ready for the next process. Upon completion of this process, the bird's nests are then classified as RUCBN.

Packing and labelling

The RUCBN is then weighed and packed accordingly in primary packaging before being sealed and labelled with the required information, which includes premise identification details and registration number, brand logo, batch number/ barcode and shelf life, production date, name and address of exporter and importer, country of origin, grade, storage condition and net weight. Each batch of RUCBN samples will be sent to an accredited laboratory for testing as part of the conditions imposed by DVS before any shipments to the PRC.

Subsequently, the RUCBN is packed in cartons which are labelled according to the export destination requirements.

7. BUSINESS OVERVIEW (CONT'D)

During this process, incoming batches are checked to ensure the RUCEBN has filled up the traceability information throughout the whole processing activity. The labelling information is inspected to ensure accuracy and the packaging is properly sealed. We will then proceed to apply and obtain relevant documents amongst others, export permits, certificates of origin and veterinary health certificates.

Prior to the exportation of RUCEBN to other countries, we are required to obtain Veterinary Health Certificate, VHM Certificate and identification registration from the DVS, and an export permit from MAQIS. For exportation of RUCEBN to the PRC, we are further required to obtain approval by the GACC.

Storage and delivery

The RUCEBN cartons will be stored in the storage area while waiting to be delivered. The RUCEBN is generally stored and delivered to our customers within one (1) month upon finalisation of the sales contract. We engage third party logistics service providers to deliver our products to our customers.

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7. BUSINESS OVERVIEW (CONT'D)

7.7 MATERIAL PROPERTIES, PLANT AND EQUIPMENT

7.7.1 Properties owned

A summary of the material land and buildings owned and tenanted by our Group for our business operations as at the LPD is as follows:

No.	Registered Beneficial Owner	Title Details / Property Address	Description Existing Use	Category of land use / Tenure of the property	Restrictions in interest / Material encumbrances	Date of CF or CCC	Land Gross built-up area	NBV as at 31 December 2022 (RM'000)
1.	MBN Enterprise	<u>Title Details:</u> PN 15253, Lot 505, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.	<u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.	<u>Category of land use:</u> Building <u>Express Term:</u> Commercial Building ⁽²⁾	<u>Restrictions in interest:</u> The land shall not be transferred or leased unless with the State Consent.	3 February 2022 ⁽¹⁾	<u>Land size:</u> 1,001 sq. feet <u>Built-up area:</u> 2,860 sq. feet	504
		<u>Postal Address:</u> No. 17, 17-1 & 17-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.	<u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for birds' nest.	<u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094	<u>Encumbrance:</u> Charged in favour of United Overseas Bank (Malaysia) Berhad on 16 July 2020.			

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7. BUSINESS OVERVIEW (CONT'D)

No.	Registered / Beneficial Owner	Title Details / Property Address	Description Existing Use	Category of land use / Tenure of the property	Restrictions in interest / Material encumbrances	Date of CF or CCC	Land / Gross built-up area	NBV as at 31 December 2022 (RM'000)
2.	MBN Enterprise	<p><u>Title Details:</u> PN 15252, Lot 506, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 19, 19-1 & 19-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for bird's nest.</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building⁽²⁾</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	<p><u>Restrictions in interest:</u> The land shall not be transferred or leased unless with the State Consent.</p> <p><u>Encumbrance:</u> Charged in favour of United Overseas Bank (Malaysia) Berhad on 16 July 2020.</p>	3 February 2022 ⁽¹⁾	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	505

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7. BUSINESS OVERVIEW (CONT'D)

No.	Registered / Beneficial Owner	Title Details / Property Address	Description Existing Use	Category of land use / Tenure of the property	Restrictions in interest / Material encumbrances	Date of CF or CCC	Land / Gross built-up area	NBV as at 31 December 2022 (RM'000)
3.	MBN Enterprise	<p><u>Title Details:</u> PN 15251, Lot 507, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 21, 21-1 & 21-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for birds' nest.</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building⁽²⁾</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	<p><u>Restrictions in interest:</u> The land shall not be transferred or leased unless with the State Consent.</p> <p><u>Encumbrance:</u> Charged in favour of CIMB Islamic Bank Berhad on 26 September 2019.</p>	3 February 2022 ⁽¹⁾	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,771 sq. feet</p>	428

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7. BUSINESS OVERVIEW (CONT'D)

No.	Registered / Beneficial Owner	Title Details / Property Address	Description Existing Use	Category of land use / Tenure of the property	Restrictions in interest / Material encumbrances	Date of CF or CCC	Land / Gross built-up area	NBV as at 31 December 2022 (RM'000)
4.	MBN Enterprise	<p><u>Title Details:</u> PN 15290, Lot 508, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 23, 23-1 & 23-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for birds' nest.</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building⁽²⁾</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	<p><u>Restrictions in interest:</u> The land shall not be transferred or leased unless with the State Consent. Such restriction is not applicable to Malays.</p> <p><u>Encumbrance:</u> Charged in favour of United Overseas Bank (Malaysia) Berhad on 7 December 2021.</p>	3 February 2022 ⁽¹⁾	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	394

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7. BUSINESS OVERVIEW (CONT'D)

No.	Registered Beneficial Owner	Title Details / Property Address	Description Existing Use	Category of land use / Tenure of the property	Restrictions in interest / Material encumbrances	Date of CF or CCC	Land Gross built-up area	NBV as at 31 December 2022 (RM'000)
5.	MBN Enterprise	<u>Title Details:</u> PN 15289, Lot 509, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka. <u>Postal Address:</u> No. 25, 25-1 & 25-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.	<u>Description:</u> One (1) unit 3-storey shop office (corner lot). <u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for birds' nest.	<u>Category of land use:</u> Building <u>Express Term:</u> Commercial Building (2)	<u>Restrictions in interest:</u> The land shall not be transferred or leased unless with the State Consent.	3 February 2022 ⁽¹⁾	<u>Land size:</u> 1,389 sq. feet <u>Built-up area:</u> 3,734 sq. feet	884

Notes:

(1) The Melaka Historic City Council vide its letter dated 3 March 2022 to MBN had re-affirmed that all five (5) properties have been issued with CF previously. Further, MBN Enterprise has obtained the Surat Perakuan Menduduki Bangunan (Letter of Fitness for Occupation) dated 3 February 2022 from Melaka Historic City Council certifying that the following properties are fit for occupation and to be used as a processing and packaging centre for birds' nest activities:-

- (a) 17, 17-1 & 17-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia;
- (b) 19, 19-1 & 19-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia;
- (c) 21, 21-1 & 21-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia;
- (d) 23, 23-1 & 23-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia; and
- (e) 25, 25-1 & 25-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.

(2) Our Group's processing activities are allowed to be carried out under these premises, being the commercial building, based on the licenses obtained, the certificates of fitness issued by the Melaka Historic City Council and State Consent obtained during the acquisitions of these properties.

Our wholly-owned subsidiary company, MBN Enterprise has on 19 August 2022 entered into the SPA, to acquire the New Facility with total built-up of 25,344 sq. feet and adjoining to our Headquarter, at the total purchase price of RM2,960,000. As at the LPD, we had paid a deposit of RM296,000.00 representing 10% of the purchase price and the transaction is currently pending completion. We expect the completion of the acquisition of the New Facility to take place by 2nd half of 2023. The State Consent for the transfer of the New Facility from Koperasi Polis to MBN Enterprise has been obtained on 26 April 2023. The said acquisition of the New Facility will be funded via IPO proceeds raised under Section 4.8.1 (Purchase of the New Facility to expand processing capacity for RUCENB) of this Prospectus.

7. BUSINESS OVERVIEW (CONT'D)

7.7.2 Properties rented

As at the LPD, there are no other land or buildings rented by our Group for our business operations, other than as follows:

Landlord	Tenant	Postal Address	Description / Existing Use	Date of CF / CCC or equivalent	Built up Area	Tenure	Rental Monthly (RM)
Eng Han Engineering Sdn Bhd	MBN Enterprise	No. A-10-16A, Block A, Lorong Lebu Raya Sutera, Sutera Avenue, Sembulan, 88100 Kota Kinabalu, Sabah	<p><u>Description:</u> 1 unit located at Level 10 of Block A comprising 108 units of office</p> <p><u>Existing use:</u> Office and collection centre</p>	7 December 2017	699 sq. feet	1 January 2023 to 31 December 2023 <u>Renewal Period:</u> 1 January 2024 to 31 December 2024	1,747.50

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7. BUSINESS OVERVIEW (CONT'D)

7.7.3 Material machinery and equipment

A summary of the material machinery and equipment owned and used by us are as follows:

Machinery and equipment	Functions	No. of Units	Annual output / capacity (kg)	Utilisation rate (%)	Average age (years)	NBV as at 31 December 2022 (RM)
Steam tunnel machine	Heat treatment process	2	138,240	16.67	2 years	61,305
Industrial dehumidifier	Dehumidifier used in the drying process	2	27,648	83.33	1 year and 7 months	9,900
Ultraviolet steriliser	Use to sterilise outer packaging	1	1,382,400	1.67	2 years and 2 months	6,027
Elevator	Use to hoist goods between floors	1	Not Applicable	Not Applicable	4 years and 4 months	28,000
Cold rooms	To store the bird's nest	4	6,028 ⁽¹⁾	65 - 100 ⁽²⁾	3 years and 2 months	187,220
Total						292,452

Notes:

(1) Total storage capacity for the 4 units of cold room.

(2) As at the LPD, the usage of the 4 units of cold room are as follows:

The Usage of the Cold Room	Maximum Storage Capacity (kg) ^(a)	Highest Storage Utilisation (kg) ^(b)	Highest Storage Utilisation Rate (%) ^(b)
Raw bird's nests (1 unit)	1,848	1,848	100.00
Graded and sorted bird's nests (1 unit)	1,430	1,185	^(c) 82.87
RUCEBN (2 units)	2,750	2,035	74.00

Notes:

(a) Maximum storage capacity is estimated based on the maximum amount (kg) of bird's nests which can be stored in a practical manner (i.e. with space reserved for walkways and for handling of bird's nests) in the respective cold rooms.

(b) The highest storage utilisation is calculated based on the highest usage of storage space at any one point of time.

(c) The turnaround time (i.e. time from entry to exit) for graded and sorted bird's nests stored in the cold room is typically short, ranging from five (5) days to seven (7) days.

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7. BUSINESS OVERVIEW (CONT'D)

7.8 PROCESSING CAPACITIES AND OUTPUT

Our Group's processing capacities and capacity utilisation across its operations as at the LPD are as follows:

	As at the LPD
Estimated maximum annual processing capacity ⁽¹⁾	32,256 kg
Current estimated annual processing capacity ⁽¹⁾	23,040 kg
Actual processing output (annualised) ⁽²⁾	16,774 kg
Capacity utilisation ⁽³⁾	72.80 %

Note:

(1) The processing capacity of our processing facility is determined by the number of sorting personnel performing the sorting process. Our existing sorting area, which is approximately 969 sq. feet, is able to accommodate 7 sorting tables (sufficient for 2 sorting personnel each), with each personnel capable of sorting 8 kg of RUCEBN daily. We operate a single shift of 8 hours a day, 24 days a month. The table below illustrates our estimated annual processing capacity:

	Estimated Maximum	Current
(i) Number of sorting personnel	14	10
(ii) Maximum weight of bird's nest processed per worker per day (kg)	8	8
(iii) Working days per month	24	24
(iv) Estimated maximum processing capacity per month (kg)	2,688	1,920
(v) Estimated maximum annual processing capacity (kg)	32,256	23,040

During the FY Under Review, we have made improvements and revisions to our processing facility that saw an increase in our estimated annual processing capacity, which increased from 3,456 kg of RUCEBN in FYE 2017 to 10,368 kg of RUCEBN in FYE 2020, to 18,432 kg of RUCEBN in FYE 2021 and 23,040 kg of RUCEBN in FYE 2022. Among the improvements performed include expanding our processing and packaging area, use of new equipment and machinery as well as optimising our production flows.

(2) The actual processing output from January 2023 to May 2023 was 6,989 kg, which represents an actual processing output of 16,774 kg on an annualised basis.

(3) Calculated based on the processing output (annualised) of 16,774 kg over the current estimated annual processing capacity of 23,040 kg.

7.9 TYPES, SOURCES AND AVAILABILITY OF RAW MATERIALS AND INPUT

The major raw material purchased by our Group for its operations for the FYE 2019 to FYE 2022 are as follows:

	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Raw bird's nest	12,389	99.81	39,063	99.94	80,857	99.93	56,583	99.94
Packaging material	24	0.19	22	0.06	53	0.07	36	0.06
Total Group's purchases	12,413	100.00	39,085	100.00	80,910	100.00	56,619	100.00

Our Group's purchases for the FY Under Review consist of raw bird's nests and packaging materials. We source the raw bird's nests from our Approved Suppliers that consist of local bird's nests farmers, traders as well as agents, that are based in Malaysia. We have established a list of Approved

7. BUSINESS OVERVIEW (CONT'D)

Suppliers that we source our raw bird's nests from, where the selection criteria include swiftlet houses that are registered with DVS and certified with myGAP certification, quality and prices of raw bird's nest. For packaging materials purchased by our Group, they include plastic materials and carton boxes.

Our purchases for the FY Under Review is in tandem with the increase and decrease in revenue over the same period. Our purchase of raw bird's nests has increased by 215.30% in FYE 2020, from RM12.39 million in FYE 2019 to RM39.06 million in FYE 2020. This is due to the increase in demand from customers in the PRC. In FYE 2021, we purchased RM80.86 million of raw bird's nests, an increase of 106.99% as compared to FYE 2020. In FYE 2022, we purchased RM56.58 million of raw bird's nests, a decrease of 30.03% as compared to FYE 2021 mainly due to the Zero-COVID Measures resulting in slowdown in our sales of RUCEBN to the PRC.

7.10 SALES AND MARKETING

Our sales and marketing activities are spearheaded by our Non-Independent Executive Directors. In addition, we also tap onto our Non-Independent Non-Executive Chairman, Liw Chong Liong and Non-Independent Non-Executive Director, Lee Wei Kong's established business networks and contacts within the bird's nest industry.

We also receive referrals of new business from our existing customers, as a result of our quality products and established working relationships. At the same time, we are continuously looking for new business opportunities, specifically by monitoring the list of approved importers by the GACC. Upon identification of newly listed approved importers, we will directly approach and engage them in order to secure them as one of our growing lists of customers.

7.11 DEPENDENCY ON CONTRACTS, PRODUCTION OR BUSINESS PROCESS AND MAJOR APPROVALS, LICENCES AND PERMITS

As at the LPD, save as disclosed in Section 7.12 (*Major Approvals, Licences and Permits*), registered trademarks and intellectual property rights in Section 7.13 (*Intellectual Property*) of this Prospectus, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights (including those under substantive examination and formality validation), licences and permits, and production or business processes.

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7. BUSINESS OVERVIEW (CONT'D)

7.12 MAJOR APPROVALS, LICENCES AND PERMITS

Details of our major approvals, licences and permits for our operations as at the LPD are as follows:

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
1.	MYMBN	Melaka Historic City Council	Business/ Advertisement License issued under Local Government Act 1976 Premises : No. 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia Purpose : Management Office and for signboard Reference No. : 209040127862023 / L2.12786	<u>Issue Date:</u> 21 March 2023 <u>Expiry Date:</u> 19 March 2024	None	-
2.	MBN Enterprise	GACC	To register MBN Enterprise as an overseas manufacturer of imported food in the PRC ⁽¹⁾ Overseas registration no: 41F011 China registration no: CMYS03011808010012 GACC register type: GACC-1-3 (GACC Registration for Overseas Producer of High Risk Food)	<u>Registration Date:</u> 1 August 2018 <u>First Approval Date:</u> 24 September 2019 <u>Expiry Date:</u> 31 July 2028	None	-

7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
3.	MBN Enterprise	Melaka Historic City Council	<p>Business License issued under Local Government Act 1976</p> <p>Premises : No. 17, 17-1, 17-2, 19, 19-1, 19-2, 21, 21-1, 21-2, 23, 23-1, 23-2, 25, 25-1 & 25-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia</p> <p>Purpose : <ul style="list-style-type: none"> • Management Office • Processing and Packaging Centre for Birds Nest • Storage and Warehouse </p> <p>Reference No. : 109041147922017 / L1.14792</p>	<p><u>Issue Date:</u> 10 February 2022</p> <p><u>Expiry Date:</u> 20 January 2024</p>	None	-

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7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
4.	MBN Enterprise	Kota Kinabalu City Hall	<p>Trading Licence issued under the Trade Licensing Ordinance 1948</p> <p>Premises : Lot No. A-10-16A, 10th Floor, Block A, Lorong Sutera Avenue, Sutera Avenue, Jalan Pantai Baru Sembulan, 88100 Kota Kinabalu, Sabah, Malaysia</p> <p>Purpose : To carry on the business of supply, import and export of bird nest.</p> <p>Licence No. : 716226</p>	<p><u>Issue Date:</u> 25 November 2022</p> <p><u>Expiry Date:</u> 31 December 2023</p>	None	-
5.	MBN Enterprise	DOSH	<p>Authorization letter for the installation of machineries in the premises located at No. 17-25, Jalan Melaka Raya 26, Taman Melaka Raya 75000, Melaka, Malaysia.</p> <p>Date : 28 December 2021</p> <p>Particulars of machinery approved for installation :</p> <ul style="list-style-type: none"> - Wrapping machine - Ultraviolet sterilizer machine - Sealing machine - 2 units of heat treatment machine - 2 units of dehumidifier - 3 units of sterilizer machines - 2 units of air purifier machineries - Air receiver tank - Swan Air compressor 	None	None	-

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7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
6.	MBN Enterprise	DVS	<p>Exporter Edible Birdnests Registration Form</p> <p>Premises : No. 17, 19, 21, 23 & 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia</p> <p>Purpose : Registration and traceability for Swiftlet Premises and to monitor activities at edible-nest swiftlet houses</p> <p>DVS Premise ID Number : 41E004</p> <p>Permitted Source of Swiftlet Ranches : 600103, 600104, 600106, 880055, 880007, 880004, 880006, 880060, 880015, 880016, 880017, 880021, 880029, 880031, 150007, 150010, 150011, 150012, 150013, 150014, 150015, 150016, 150017, 150018, 150019, 150020, 150021, 150027, 150028, 880014, 880024, 600237, 600229, 600233, 600017, 600018, 600238, 600232, 600236, 420011, 880022, 880025, 880051, 880023, 110020, 110033, 110039, 110040, 110073, 110076 & 110038.</p> <p>Source Permitted Provider from Service Provider : 41D005</p>	<p>Date of Activity Started / Commencement date: 1 January 2017</p> <p>Expiry Date: None</p>	<p>The licensee shall officially inform DVS if there are any changes to the following:</p> <p>(i) ownership edible nest swiftlet house;</p> <p>(ii) collecting centre;</p> <p>(iii) primary processing establishment; or</p> <p>(iv) exporter.</p>	Noted ⁽²⁾ .

7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
7.	MBN Enterprise	DVS	Traders/ Sales Outlet Edible Birdnests Registration Form Premises : No. 17, 19, 21, 23, & 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia Purpose : Registration and traceability for Swiftlet Premises and to monitor activities at edible-nest swiftlet houses DVS Premise ID Number : 41B004 Permitted Source of Swiftlet Ranches : 600103, 600104, 600106, 880055, 880007, 880004, 880006, 880060, 880015, 880016, 880017, 880021, 880029, 880031, 150007, 150010, 150011, 150012, 150013 & 150014.	Date of Activity Started / Commencement date: 1 January 2017 Expiry Date: None	The licensee shall officially inform DVS if there are any changes to the following: (i) ownership nest edible swiftlet house; (ii) collecting centre; (iii) primary processing establishment; or (iv) exporter.	Noted ⁽²⁾ .

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7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
8.	MBN Enterprise	DVS	<p>Edible Birdnests Primary Processing Establishment Registration Form</p> <p>Premises : No. 17, 19, 21, 23, & 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia</p> <p>Purpose : Registration and traceability for Swiftlet Premises and to monitor activities at edible-nest swiftlet houses</p> <p>DVS Premise ID Number : 41F011</p> <p>Permitted Source of Swiftlet Ranches : 600103, 600104, 600106, 880055, 880007, 880004, 880006, 880060, 880015, 880016, 880017, 880021, 880029, 880031, 150007, 150010, 150011, 150012, 150013, 150014, 150015, 150016, 150017, 150018, 150019, 150020, 150021, 150027, 150028, 880014, 880024, 600237, 600229, 600233, 600017, 600018, 600238, 600232, 600236, 420011, 880022, 880025, 880051, 880023, 110020, 110033, 110039, 110040, 110073, 110076 & 110038.</p>	<p>Date of Activity Started / Commencement date: 1 January 2017</p> <p>Expiry Date: None</p>	<p>The licensee shall officially inform DVS if there are any changes to the following:</p> <p>(i) ownership edible nest swiftlet house;</p> <p>(ii) collecting centre;</p> <p>(iii) primary processing establishment;</p> <p>or</p> <p>(iv) exporter.</p>	Noted ⁽²⁾ .

7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
9.	MBN Enterprise	DVS	Middleman Edible Birdnests Registration Form Premises : No. 17, 19, 21, 23, & 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia Purpose : Registration and traceability for Swiftlet Premises and to monitor activities at edible-nest swiftlet houses DVS Premise ID : 41D005 Permitted Source of Swiftlet Ranches : 600103, 600104, 600106, 880055, 880007, 880004, 880006, 880060, 880015, 880016, 880017, 880021, 880029, 880031, 150007, 150010, 150011, 150012, 150013 & 150014.	Date of Activity Started / Commencement date: 1 January 2017 <u>Expiry Date:</u> None	The licensee shall officially inform DVS if there are any changes to the following: (i) ownership nest edible swiftlet house; (ii) collecting centre; (iii) primary processing establishment; or (iv) exporter.	Noted ⁽²⁾ .

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7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
10.	MBN Enterprise	DVS	VHM Certificate Premises : No. 17, 19, 21, 23, & 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia Purpose : To certify the fulfilment of the DVS requirements and the implementation of Quality Assurance Program and HACCP System Type of Product : RUCEBN VHM No. : V253 Serial No. : 02/2022 File Reference : JPV/BRV/600-2/3/3	<u>Issue Date:</u> Not specified <u>Expiry Date:</u> 31 December 2023	None	-

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7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
11.	MBN Enterprise	MOH	<p>MeSTI certificate (<i>Makanan Selamat Tanggungjawab Industri</i>)</p> <p>Premises : No. 17, 19, 21, 23, and 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia ⁽³⁾</p> <p>Purpose : To certify that MBN has fulfilled the terms and conditions for certification of MeSTI</p> <p>Certificate No. : ME0519117-1/2</p> <p>Issue Date : 22 June 2022</p>	<p><u>Commencement Date:</u> 22 June 2022</p> <p><u>Expiry Date:</u> 21 June 2025</p>	<ul style="list-style-type: none"> Any changes to the name or address of the factory, premises or certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. Certification will be automatically void should the factory or premises ceased operation. 	Noted.

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7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
12.	MBN Enterprise	MOH	<p>GMP Certificate (Good Manufacturing Practice)</p> <p>Premises : No. 17, 19, 21, 23 and 25, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia</p> <p>Purpose : To certify that MBN has fulfilled the terms and conditions for the implementation of GMP system and that the following standards are complied with:</p> <ul style="list-style-type: none"> - MS 1514:2009 (standard of GMP) - MS 1480:2019 HACCP - Veterinary Health Mark (VHM) - Registration & Traceability System for Raw Unclean EBN Export to China (SOPRUCEBN-1) - Primary Processing Establishment Export to China Protocol (SOPRUCEBN-2) 	<p><u>Commencement Date:</u> 22 June 2022</p> <p><u>Expiry Date:</u> 21 June 2025</p>	None	-
			<p>Certificate No. : GM0419028-4/1</p> <p>Issue Date : 22 June 2022</p>			

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7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
13.	MBN Enterprise	DOSH	<p>Certificate of Fitness of Goods Hoist issued under the Factories and Machinery Act 1967</p> <p>Location : No. 17-25, Jalan Melaka Raya 26, Taman Melaka Raya 75000, Melaka, Malaysia</p> <p>Particulars of : Goods hoist Machinery</p> <p>Manufacturer : San Yuan Lih Enterprise</p> <p>Registration No. : MK PMA 3317</p> <p>Licence No. : PMA-MK/23 42755</p>	<p><u>Issue Date:</u> 24 March 2023</p> <p><u>Expiry Date:</u> 15 June 2024</p>	None	-

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7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
14.	MBN Enterprise	DOSH	<p>Certificate of Fitness of Unfired Pressure Vessel issued under the Factories and Machinery Act 1967</p> <p>Location : No. 17-25, Jalan Melaka Raya 26, Taman Melaka Raya 75000, Melaka, Malaysia</p> <p>Particulars of Machinery : Air Receiver Tank</p> <p>Manufacturer : LIDA (China) Machine Equipment Co. Ltd</p> <p>Registration No. : MK PMT 81723</p> <p>Licence No. : PMT-MK/23 42851</p>	<p><u>Issue Date:</u> 28 March 2023</p> <p><u>Expiry Date:</u> 21 June 2024</p>	None	-
15.	MBN Enterprise	DOSH	<p>Certificate of Fitness of Unfired Pressure Vessel issued under the Factories and Machinery Act 1967</p> <p>Location : No. 17-25, Jalan Melaka Raya 26, Taman Melaka Raya 75000, Melaka, Malaysia</p> <p>Particulars of Machinery : Swan Air Compressor</p> <p>Manufacturer : Tong Cheng Iron Works Co., Ltd</p> <p>Registration No. : MK PMT 81724</p> <p>Licence No. : PMT-MK/23 42852</p>	<p><u>Issue Date:</u> 28 March 2023</p> <p><u>Expiry Date:</u> 21 June 2024</p>	None	-

7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
16.	MBN Enterprise	JAKIM	<p>Certificate of Authentication HALAL</p> <p>To certify that the RUCENB manufactured, distributed and managed by MBN Enterprise has complied with the Islamic laws and Malaysia Halal Standard and approved by Halal Certification Panel of Jabatan Agama Islam Melaka</p> <p>Location : No. 17-25, Jalan Melaka Raya 26, Taman Melaka Raya 75000, Melaka, Malaysia</p> <p>Reference No : MPPHM (Domestik) 2020</p> <p>Standard No : MS 1500:2019</p> <p>Serial No. : A191697</p>	<p><u>Date of issue</u> 16 March 2023</p> <p><u>1st date of issue</u> 16 March 2023</p> <p><u>Valid until:</u> 15 March 2025</p>	<p>Any changes to the name or company, factory or premises, products, or ingredients, suppliers or anything related thereto shall be informed in writing to the Director General (DG) of JAKIM for further action.</p>	Noted.
17.	MBN Enterprise	MOH	<p>Certificate of Registration for Food Premises under Food Hygiene Regulations 2009 and Food Act 1983</p> <p>Place of business/ premises : No. 17-25, Jalan Melaka Raya 26, Taman Melaka Raya 75000, Melaka, Malaysia</p> <p>Category : Food premises involved in manufacturing of food</p> <p>Registration No. : FSSM071701763-01</p>	<p><u>Issue Date:</u> 27 April 2023</p> <p><u>Expiry Date:</u> 27 July 2026</p>	None	-

7. BUSINESS OVERVIEW (CONT'D)

No.	Name of licensee	Approving authority / issuer	Description of licence / permit / approval	Validity Period	Major conditions imposed	Status of compliance
18.	MBN International	Melaka Historic City Council	Business/ Advertisement License issued under Local Government Act 1976 Premises : No. 17, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia Purpose : Management Office (for import and export for bird nest products) Reference No. : 209040125622022 / L2.12562	<u>Issue Date:</u> 9 November 2022 <u>Expiry Date:</u> 2 November 2023	None	-

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7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) *The GACC approval obtained is registered under high-risk food category (known as GACC-1-3) under the Code Number 0301 (Bird's nest and bird's nest products). The registration of overseas manufactures of imported food in the PRC allows MBN Enterprise to export RUCENB directly to the PRC and the approval is valid for a period of five (5) years. An application for renewal of registration is required to be submitted to the GACC through the registration application channel within three (3) to six (6) months before its expiry date. Please refer to Section 9.1.1 (We are dependent on the approval from the GACC to export to the PRC) of this Prospectus, for the risk relating to the renewal of the GACC approval. In order for MBN Enterprise to obtain or renew the GACC approval, MBN Enterprise is required to obtain and continuously maintain VHM Certificate issued by DVS during the tenure of the GACC approval.*
- (2) *As at the LPD, there is no change in the information relating to MBN Enterprise's collecting centre and primary processing establishment which remain at the Group's Headquarter as well as MBN Enterprise remains as the exporter as registered with DVS. Our Group also does not own any edible nest swiftlet houses. Our Group will inform DVS if there are any changes in information relating to our Group's collecting centre and primary processing establishment as well as an exporter.*

In relation to the GACC approval, we have obtained a legal opinion from a foreign counsel regarding the validity period of the registration for MBN Enterprise as an overseas manufacturer of imported food in the PRC. Our appointed foreign counsel has opined that the overseas manufacturers of imported food that have been registered would be considered as valid registration. During the period of three (3) to six (6) months before the expiry of the registration, registered enterprises should apply for renewal of registration in accordance with the relevant requirements of Article 20 of the Registration Regulations, PRC. The renewal of registration (i.e MBN Enterprise as an overseas manufacturers of imported food) is an administrative process imposed under the of the Registration Regulations, PRC to ensure the continuity of the validity of the certificate or registration granted.

For the avoidance of doubt, the GACC approval granted to MBN Enterprise is only for the exportation of RUCENB to the PRC exclusively. It does not cover other bird's nest related products (e.g.: RCEBN and ready-to-drink bird's nest products). Our Group is required to register with the GACC with a separate application for any other bird's nest related products. As at the LPD, our Group does not plan to export any other bird's nest products to the PRC.

As our business is highly dependent on the approval from the GACC for us to operate and export our RUCENB products to the PRC, any failure to renew the approval would have an adverse effect on our business operations and financial performance. As part of our Group's mitigation plans, we have placed various strategic steps to create new revenue streams going forward as a mean to diversify away from our reliance on the PRC market. For this purpose, our Group had on 9 May 2023 executed the Equity Transfer Agreement with Zhang Dan, the vendor of Guangxi Nan Yang, a RCEBN processing company in the PRC, to acquire 80.00% equity interest. The venture into the processing of RCEBN is a natural extension on its existing product offerings and will provide a new revenue stream for our Group.

Meanwhile, our Group is also looking to diversify into the production of our own "mf" branded affordable HALAL ready-to-drink bird's nest products which utilises our lower priced EBN strips to cater for the mass market EBN demand. The diversification will provide an additional revenue stream for our Group.

7. BUSINESS OVERVIEW (CONT'D)

Lastly, our Group recognises that it is highly dependent on customers in the PRC for our bird's nest products. Accordingly, our Group has taken steps to diversify and expand into other markets. We have incorporated MBN International to focus on the marketing and selling of our bird's nest products to Vietnam, mainly on our Ban and Cui Series of RUCEBN. In addition, our Group may also resume our exportation of RUCEBN to the Hong Kong's market. These expansions into Vietnam and Hong Kong will provide a new revenue stream to our Group and further enhance our business sustainability going forward.




Our Group also is required to obtain export permit from MAQIS (under the Malaysian Quarantine And Inspection Services Act 2011) and Certificate of Freedom of State from Disease, Certificate of Origin and Veterinary Health Certificate for RUCEBN for Export from Malaysia to the PRC, for each of the consignment of bird's nest products exported.

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7. BUSINESS OVERVIEW (CONT'D)

7.13 INTELLECTUAL PROPERTY

As at the LPD, save for the trademark registrations below, we do not have any other intellectual property right registered and/or in the process of registration:-

Trademark	Registered owner	Authority	Registration No.	Validity period	Class of trademark	Status
 <ul style="list-style-type: none"> • Word and figurative 	MBN Enterprise	Intellectual Property Corporation of Malaysia	TM2019010116	<u>Date Registered:</u> 22 March 2019 <u>Expiry Date:</u> 22 March 2029	<u>Class 29:</u> ⁽¹⁾ Bird nest.	Registered
 <ul style="list-style-type: none"> • Word and figurative 	MBN Enterprise	Intellectual Property Corporation of Malaysia	TM2020030236	<u>Date Registered:</u> 16 December 2020 <u>Expiry Date:</u> 16 December 2030	<u>Class 29:</u> ⁽¹⁾ Edible bird's nest.	Registered
 <ul style="list-style-type: none"> • Word and figurative 	MBN Enterprise	Intellectual Property Corporation of Malaysia	TM2022017856	<u>Date Registered:</u> 15 July 2022 <u>Expiry Date:</u> 15 July 2032	<u>Class 32:</u> Bottled drinking water; bottled water; beverages, non-alcoholic.	Registered

7. BUSINESS OVERVIEW (CONT'D)

Trademark	Registered owner	Authority	Registration No.	Validity period	Class of trademark	Status
 <ul style="list-style-type: none"> Word and figurative 	MBN Enterprise	Intellectual Property Corporation of Malaysia	TM2022012165	<u>Date Registered:</u> 18 May 2022 <u>Expiry Date:</u> 18 May 2032	<u>Class 29: (1)</u> Edible bird's nest.	Registered
 <ul style="list-style-type: none"> Word and figurative 	MBN Enterprise	Intellectual Property Corporation of Malaysia	TM2022012164	<u>Date Registered:</u> 18 May 2022 <u>Expiry Date:</u> 18 May 2032	<u>Class 29: (1)</u> Edible bird's nest.	Registered

Note:

(1) *Class 29 mainly for all foodstuffs of animal origin, as well as vegetables and other horticultural comestible products which are prepared or preserved for consumption.*

As at the LPD, save for the trademarks which have already been registered as disclosed above, our Group's business or profitability is not dependent on trademarks that are under substantive examination, formality validation or any other intellectual property.

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7. BUSINESS OVERVIEW (CONT'D)**7.14 TECHNOLOGY USED**

Over the course of our operations, we have adopted the use of customised machines and software to facilitate selected processes. In our processing operations, we use customised heat treatment machines which enable us to eliminate potential viruses normally found in bird's nests such as Newcastle Disease and Avian Influenza.

We have also put in place a supply chain management system, known as the "MBN Enterprise Bird's Nest Management System". It is a cloud-based system where its traceability module facilitates the tracking of each batch of bird's nests through the various stages of our processing. This enhances the traceability process and is accessible via web and mobile applications.

7.15 MATERIAL INVESTMENTS AND DIVESTITURES

Save as disclosed below, our Group does not have any other material investments and divestitures for the FY Under Review and up to the LPD:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	1 January
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	2023 up to
					the LPD
					(RM'000)
<u>Investment costs</u>					
Machinery and equipment ⁽¹⁾	36	98	106	-	-
Unit 17 and Unit 19	-	1,060	-	-	-
Unit 23	-	-	407	-	-
Unit 25	-	-	908	-	-
Total	36	1,158	1,421	-	-
<u>Divestitures proceeds</u>					
	-	-	-	-	-
Total	-	-	-	-	-

Note:

(1) Comprised of cold rooms, steam tunnel machines, industrial dehumidifier and ultraviolet steriliser. Please refer to Section 7.7.3 (Material machinery and equipment) of this Prospectus for further details on machinery and equipment.

The above capital expenditure was primarily financed by a combination of internal generated fund and/or bank borrowings.

The investments in Unit 17, Unit 19, Unit 23 and Unit 25 are used as our processing facility. The expansion in our processing facility was to accommodate the increase in demand for our products.

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7. BUSINESS OVERVIEW (CONT'D)**7.16 MAJOR CUSTOMERS OF THE GROUP**

The table below sets out the Group's top five (5) customers for each of the FY Under Review as follows:

No.	Name	Country/ Nationality	Revenue contribution (RM'000)	% of total revenue (%)	Length of relationship⁽¹⁾ (Years)
FYE 2019					
1	CVW Ventures	Malaysia	3,227	27.12	2
2	Xiamen Free Trade Area Yan An Ju Industrial Co., Ltd. ⁽²⁾	PRC	1,485	12.48	1
3	Thao Dang	Vietnamese ⁽³⁾	887	7.46	1
4	China-Malaysia Qinzhou Industrial Park Jingu (Guangxi) Investment Co., Ltd. ⁽⁴⁾	PRC	838	7.04	1
5	Jipintang Food Co., Ltd. ⁽⁵⁾	PRC	773	6.50	1
Total			7,210	60.60	
FYE 2020					
1	Xiamen Free Trade Area Yan An Ju Industrial Co., Ltd. ⁽²⁾	PRC	24,874	56.01	2
2	China-Malaysia Qinzhou Industrial Park Jingu (Guangxi) Investment Co., Ltd. ⁽⁴⁾	PRC	10,446	23.52	2
3	Jipintang Food Co., Ltd. ⁽⁵⁾⁽⁶⁾	PRC	4,088	9.21	2
4	Southeast Edible Bird Nest Capital (Xiamen) Industrial Development Co., Ltd. ⁽²⁾	PRC	1,946	4.38	1
5	Guangxi GreenSmart Global Co., Ltd.	PRC	1,490	3.36	1
Total			42,844	96.48	
FYE 2021					
1	Southeast Edible Bird Nest Capital (Xiamen) Industrial Development Co., Ltd. ⁽²⁾	PRC	57,212	62.49	2
2	Jipintang Health Industry Co., Ltd. ⁽⁵⁾	PRC	12,047	13.16	2
3	Xiamen Free Trade Area Yan An Ju Industrial Co., Ltd. ⁽²⁾	PRC	11,889	12.99	3
4	China-Malaysia Qinzhou Industrial Park Jingu (Guangxi) Investment Co., Ltd. ⁽⁴⁾	PRC	9,325	10.19	3
5	CVW Ventures	Malaysia	572	0.62	4
Total			91,045	99.45	

7. BUSINESS OVERVIEW (CONT'D)

No.	Name	Country/ Nationality	Revenue contribution (RM'000)	% of total revenue (%)	Length of relationship⁽¹⁾ (Years)
FYE 2022					
1	Southeast Edible Bird Nest Capital (Xiamen) Industrial Development Co., Ltd. ⁽²⁾	PRC	44,334	64.37	3
2	Southeast Edible Bird Nest Capital Biotechnology Co., Ltd. ⁽²⁾	PRC	9,649	14.01	1
3	Jipintang Health Industry Co., Ltd. ⁽⁵⁾	PRC	7,557	10.97	3
4	Yue Xiang (Zhejiang) Food Co., Ltd.	PRC	4,045	5.87	1
5	China-Malaysia Jinguyan (Guangxi) Biotechnology Co., Ltd. ⁽⁴⁾	PRC	1,424	2.07	1
Total			67,009	97.29	

Notes:

- (1) *The approximate length of relationships is calculated at each of the respective FYEs.*
- (2) *Xiamen Free Trade Area Yan An Ju Industrial Co., Ltd., Southeast Edible Bird Nest Capital (Xiamen) Industrial Development Co., Ltd. and Southeast Edible Bird Nest Capital Biotechnology Co., Ltd., have common directors and common shareholders. Our Group's total sales with these three (3) companies by virtue of their contribution to our Group's total sales, collectively represented 12.48%, 60.39%, 75.48% and 78.38% of our Group's total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.*
- (3) *The sales were transacted in Malaysia.*
- (4) *China-Malaysia Qinzhou Industrial Park Jingu (Guangxi) Investment Co., Ltd and China-Malaysia Jinguyan (Guangxi) Biotechnology Co., Ltd have common management. Our Group's total sales with these two (2) companies by virtue of their contribution to our Group's total sales, collectively represented 7.04%, 23.52%, 10.19% and 2.07% of our Group's total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.*
- (5) *Jipintang Health Industry Co., Ltd and Jipintang Food Co., Ltd. have common management. Our Group's total sales with these two (2) companies by virtue of their contribution to our Group's total sales, collectively represented 6.50%, 12.31%, 13.16% and 10.97% of our Group's total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.*
- (6) *We have ceased our sales with Jipintang Food Co., Ltd. since November 2020 and commenced transactions with Jipintang Health Industry Co., Ltd. Our Group's total sales with these two (2) companies contributed a total revenue of 12.31% in FYE 2020, where Jipintang Health Industry Co., Ltd has contributed RM1.38 million, representing 3.10% of our Group's total revenue.*

Our top 5 major customers contributed 60.60%, 99.58%, 99.45% and 97.29% of our Group's total revenue for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. We are highly dependent on our certain major customers in the PRC, namely Southeast Edible Bird Nest Capital (Xiamen) Industrial Development Co., Ltd., Xiamen Free Trade Area Yan An Ju Industrial Co., Ltd., Southeast Edible Bird Nest Capital Biotechnology Co., Ltd., China-Malaysia Qinzhou Industrial Park Jingu (Guangxi) Investment Co., Ltd., China-Malaysia Jinguyan (Guangxi) Biotechnology Co., Ltd., Jipintang Health Industry Co., Ltd., and Jipintang Food Co., Ltd. We have ceased our sales with Jipintang Food Co., Ltd. since November 2020, and subsequently commenced transactions with Jipintang Health Industry Co., Ltd. which has a common management with Jipintang Food Co., Ltd. They have cumulatively contributed approximately 26.02%, 96.22%, 98.83% and 91.42% to our revenue for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

Our customers do not enter into long-term contracts with us and our sales are based on sales contracts that we receive from time to time. As a result, our future performance, to a certain extent, depends on our ability to secure sales contracts from these customers. For general terms of our sales contract, please refer to Section 12.8 (*Order Book*) of this Prospectus.

7. BUSINESS OVERVIEW (CONT'D)

Our Group maintains good working relationships with our customers. Prior to supplying RUCBN to the aforementioned companies, we were required to undergo a stringent qualification process, such as obtaining approval from GACC, which we have obtained in September 2019. We also voluntarily facilitate site visits to our processing facility by a few of our major customers, namely Xiamen Free Trade Area Yan An Ju Industrial Co., Ltd, Jipintang Food Co., Ltd and China-Malaysia Qinzhou Industrial Park Jingu (Guangxi) Investment Co., Ltd. For the FY Under Review, there has been no dispute with these customers which has significantly affected our operations or financial performance.

As at the LPD, our Group's customers consist of 9 out of the list of 17 approved processing facility for RUCBN in the PRC. Further, our Group envisages securing more orders from other potential customers from the list of 17 approved processing facility for RUCBN in the PRC and expanding our customer base to Vietnam. We are also diversifying our revenue stream through expansion to RCEBN and HALAL ready-to-drink bird's nest products, in order to reduce reliance on the above-mentioned major customers.

Please refer to Section 7.23 (*Business Strategies and Future Plans*) of this Prospectus for further information on our business strategies and future plan.

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7. BUSINESS OVERVIEW (CONT'D)

7.17 MAJOR SUPPLIERS OF THE GROUP

All of our Group's suppliers are based in Malaysia. The Group's top five (5) suppliers for each of the FY Under Review are as follows:

No.	Name	Country / Nationality	Types of Supplier ⁽¹⁾	Types of products purchased	Purchase value (RM'000)	% of total purchase (%)	Length of relationship ⁽²⁾ (Years)
<u>FYE 2019</u>							
1.	CVW Ventures	Malaysia	Trader	Bird's nests	2,953	23.79	2
2.	Jing Yan (M) Sdn Bhd	Malaysia	Trader	Bird's nests	816	6.57	1
3.	Tan Kok Wah	Malaysian	Bird's nests farmer	Bird's nests	712	5.74	1
4.	Amity AKF Enterprise Sdn Bhd ⁽³⁾	Malaysia	Bird's nests farmer/Trader	Bird's nests	502	4.04	1
5.	Nanyang Excel Sdn Bhd	Malaysia	Bird's nests farmer	Bird's nests	465	3.75	1
Total					5,448	43.89	
<u>FYE 2020</u>							
1.	Nanyang Excel Sdn Bhd	Malaysia	Bird's nests farmer	Bird's nests	4,739	12.12	2
2.	CVW Ventures	Malaysia	Trader	Bird's nests	4,665	11.94	3
3.	Nan Yang Local Speciality Sdn Bhd	Malaysia	Trader	Bird's nests	3,421	8.75	1
4.	Supplier A ⁽⁴⁾	Malaysia	Bird's nests farmer	Bird's nests	3,403	8.71	1
5.	Tan Kok Wah	Malaysian	Bird's nests farmer	Bird's nests	3,312	8.47	2
Total					19,540	49.99	
<u>FYE 2021</u>							
1.	Swiftlet Trading Sdn Bhd	Malaysia	Trader	Bird's nests	15,309	18.92	1
2.	Supplier B ⁽⁵⁾	Malaysia	Trader	Bird's nests	9,009	11.13	2
3.	Rong Shun Da Trading Sdn Bhd	Malaysia	Bird's nests farmer	Bird's nests	8,003	9.89	2
4.	Walet Murni Sdn Bhd	Malaysia	Trader	Bird's nests	6,861	8.48	2
5.	Amity Birdnest Group Sdn Bhd ⁽³⁾	Malaysia	Bird's nests farmer/Trader	Bird's nests	6,753	8.35	2
Total					45,935	56.77	

7. BUSINESS OVERVIEW (CONT'D)

No.	Name	Country / Nationality	Types of Supplier ⁽¹⁾	Types of products purchased	Purchase value (RM'000)	% of total purchase (%)	Length of relationship ⁽²⁾ (Years)
FYE 2022							
1.	Swiftlet Trading Sdn Bhd	Malaysia	Trader	Bird's nests	14,261	25.20	2
2.	Eco Pure Sdn Bhd	Malaysia	Trader	Bird's nests	9,739	17.21	1
3.	Rong Shun Da Trading Sdn Bhd	Malaysia	Trader	Bird's nests	7,398	13.07	3
4.	Supplier A ⁽⁴⁾	Malaysia	Trader	Bird's nests	4,855	8.58	3
5.	Walet Murni Sdn Bhd	Malaysia	Trader	Bird's nests	4,475	7.91	3
Total					40,728	71.97	

Notes:

(1) For FY Under Review, none of our Group's major suppliers is an agent.

(2) The approximate length of relationship is calculated at each of the respective FYEs.

(3) Amity Capital Berhad, Amity AKF Enterprise Sdn Bhd, Amity Birdnest Enterprise (M) Sdn Bhd and Amity Birdnest Group Sdn Bhd have common directors and common shareholders. Our purchases from these companies collectively represented 4.04%, 14.59%, 12.24% and 7.99% of our total purchase of bird's nests for FYE 2019, FYE 2020, FYE 2021 and FYE 2022 respectively.

(4) A Malaysian incorporated company having principal activities in property development, management activities, trading of bird's nests and related products with its principal market being Malaysia. Our Company was only granted with consent to disclose the purchased value of Supplier A. No consent was granted for disclosure of Supplier A's name.

(5) A Malaysian incorporated company having the principal activities of agriculture and rural development affairs and growing of plants for planting with its principal market being Malaysia. Our Company was only granted with consent to disclose the purchased value of Supplier B. No consent was granted for disclosure of Supplier B's name.

Our top 5 major suppliers contributed 43.89%, 49.99%, 56.77% and 71.97% of our Group's total purchases on raw bird's nests for FYE 2019, FYE 2020 FYE 2021 and FYE 2022, respectively. We are not dependent on any of our major suppliers as we are able to source for our raw bird's nests from any of our 18 Approved Suppliers. In addition, as at the LPD, we have 18 Approved Suppliers with 224 swiftlet houses out of the total 2,143 myGAP certified swiftlet houses in Malaysia, and therefore, we will be able to source from other suppliers should such need arises. In 2022, despite the reduced availability of raw bird's nests for Guan series from our Approved Suppliers, we do not see the need to approach other suppliers to source for raw bird's nests for Guan series as there are sustained demand for other series of RUCEBN.

Our Approved Suppliers are selected based on their qualification in obtaining a swiftlet house with identification registration and myGAP certification from DVS. We maintain good working relationship with our major suppliers and there have been no material disputes with our major suppliers or disruption in supplies for the FY Under Review and up to the LPD.

7. BUSINESS OVERVIEW (CONT'D)

7.18 RESEARCH AND DEVELOPMENT

Our Group is not involved in conducting research and development activities, nor do we have a dedicated research and development department. However, we are involved in selected process improvement activities, such as enhancing our processing workflow while adhering to guidelines and requirements from relevant authorities. In addition, we have also customised a heat treatment machine which is used in our processing facility to eliminate bird's nest of potential viruses such as Newcastle Disease and Avian Influenza. It reduces the time cycle required during the heat treatment process and enables for the increased number of bird's nests to be treated simultaneously. The machine was first put into use in our processing facility in 2019.

7.19 GOVERNING LAWS AND REGULATIONS

The following are the major laws and regulations governing the conduct of our Group's business which may materially affect our business operations:-

- (i) the Street, Drainage and Building Act 1974 and the Uniform Building By-Laws 1984 (for Municipal / District Council in the State of Malacca) as well as the Town and Country Planning Act 1976 and the relevant by-laws issued pursuant thereto regulating amongst others the occupation of buildings and uniformity of local government matters relating to street, drainage and buildings;
- (ii) the Local Government Act 1976 and the by-laws of the respective local councils/ authorities and The Trades Licensing Ordinance 1948, Sabah, in setting out the requirements to obtain business, trade, industrial or premise and signage licences;
- (iii) the Food Act 1983 and Food Hygiene Regulations 2009 in relation to the registration of premises involving in the manufacturing of food;
- (iv) the Malaysian Quarantine And Inspection Services Act 2011 in respect of export permit from the Department of Malaysian Quarantine and Inspection Services (MAQIS Department) for the export of consignment of bird's nest products;
- (v) the Standard Operating Procedure For Operational of Raw-unclean Edible-birdnest Primary Processing Establishment Export to China and Standard Operating Procedure For Registration & Traceability System For Raw-unclean Edible-Birdnest Export To China in respect of the certification by DVS, to monitor the activities of the swiftlet houses, collecting centre, primary processing establishments and exporter;
- (vi) the Factories and Machinery Act 1967 and Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 governing the issuance of the certificate of fitness for the machineries; and
- (vii) Order No. 248 Administrative Provisions on the Registration of Overseas Producers of Imported Food Products in the People's Republic of China for overseas producer of imported food products to the PRC.

Details of our major approvals and licences issued to our Group in order for us to carry out our operations are set out in Section 7.12 (*Major Approvals, Licences and Permits*) of this Prospectus.

As at the LPD, there is no breach of laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our Group's business or operations and usage of properties owned by our Group.

7. BUSINESS OVERVIEW (CONT'D)

7.20 EXCHANGE CONTROL/ REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

As at the LPD, we do not have any foreign subsidiary, associated company or branch office outside of Malaysia and to the best knowledge of our Directors, there are no governmental laws, decrees, regulations and/or other requirements which may affect repatriation of capital and remittance of profit by or to our Group.

However, upon the completion of the acquisition of Guangxi Nan Yang as set out in Section 7.23.2 (*Exploring expansion into the processing and sale of RCEBN in the PRC through acquisition*) of this Prospectus, the relevant exchange control / repatriation of capital and remittance of profit under the laws of the PRC are as set out below:

The repatriation of capital / profit from PRC under the laws of PRC

Under the Foreign Investment Law of the People's Republic of China, a non-resident enterprise who has a shareholding in a foreign-invested limited liability company ("**Foreign Investment Company**"), shall subject to a withholding tax under the Corporate Income Tax Law of the People's Republic of China (the "**China Tax Law**"). The withholding tax to be levied under the China Tax Law is at 10% on the profit distribution ("**Corporate Income Tax**") received from the Foreign Investment Company and the said company shall be the withholding agent.

The Foreign Investment Company shall withhold and pay on behalf of non-resident enterprise the Corporate Income Tax (which is payable by the non-resident enterprise in the PRC) before paying dividends to the non-resident enterprise in accordance with the China Tax Law, specifically by withholding from the amount paid or due to the non-resident enterprise by the Foreign Investment Company at each time it is paid, or when it is due, as provided in the Article 37 of the China Tax Law.

Exceptions to withholding income tax under the laws of PRC

If the non-resident enterprise directly uses the profits and dividends that the Foreign Investment Company needs to distribute to the non-resident enterprise within the PRC for equity investment activities, such as capital increase, equity and acquisition (excluding new addition, conversion and acquisition of shares of listed companies), the non-resident enterprise is eligible to enjoy the policy of temporarily not levy withholding income tax for the profit or dividend paid, in accordance with the Announcement of the State Administration of Taxation on Issues Relating to Widening the Applicable Scope of Temporary Waiver for Withholding Income Tax for Overseas Investors Using Distributed Profits for Direct Investments [State Administration of Taxation Announcement [2018] No. 53].

7.21 INTERRUPTIONS TO BUSINESS AND OPERATIONS AND IMPLICATIONS TO OUR BUSINESS OPERATIONS

Our Group has not experienced any other interruption in business that had a significant effect on our operations during the period prior to the date of this Prospectus, save for disruptions resulting from the COVID-19 pandemic.

Impact Of COVID-19 On Our Group

The COVID-19 was declared as a pandemic by the Director General of the World Health Organisation on 11 March 2020. In light of the COVID-19 pandemic, the Government had announced various measures across different states or localities in the country at a different point in time in order to contain the outbreak, beginning 18 March 2020 until the announcement of the "transition to endemic" phase beginning 1 April 2022.

The stages of lockdown imposed (i.e. MCO, conditional MCO, recovery MCO, enhanced MCO and full lockdown MCO) as well as the National Recovery Plan ("**NRP**"). The Government had announced that beginning 1 April 2022 Malaysia would transit from the NRP into the "transition to endemic" phase whereby restrictions have been further eased. This includes abolishing limits on workforce capacity, allowing interstate travel for all, as well as abolishing restrictions on business hours.

7. BUSINESS OVERVIEW (CONT'D)

During the MCO periods, various measures and restrictions have been implemented including all government and private premises (save for those involved in essential services or industries which had special permission) are required to be closed and to cease all operations, reduce the size of workforce in operations and with stricter travelling restrictions. As our operations fall under essential services, we were allowed to resume operations at our processing facility (with 50% workforce capacity) after obtaining approvals from the MITI on 25 March 2020. Our processing operations were segregated into two teams working in two different shifts (i.e. morning and afternoon). We also implemented remote working arrangements for our employees who are not involved in the processing operations, which include our finance, human resource and administrative personnel. We continued to operate throughout the different lockdown phases with varying workforce capacity during each phase as dictated by the MITI.

For our employees who have tested positive for COVID-19, they were quarantined according to the directives of the MOH at the point of their infection and were required to test negative before returning to work. We were not required by the MOH to shut down our operations. As such, we did not experience any material impact on our operations.

Over the various MCO periods, we have applied for and received a wage subsidy of RM0.09 million for FYE 2020 and RM0.03 million for FYE 2021 under the Wage Subsidy Programme by the SOCSO.

(i) Measures to commence and continue our business operations

We established a set of protocols at our office cum processing facility according to conditions set forth by MITI as part of our measures to resume operations during the various phases.

(ii) Impact of COVID-19 on our supply chain

Our Approved Suppliers are made up of local players who fall under the defined essential services segment, and thus we were able to continue our operations, albeit at lower levels of production due to standard operating procedures. As such, we did not experience material disruptions to our supply chain up to the LPD.

The prolonged COVID-19 outbreak has resulted in increased freight rates to ship our products to our customers in the PRC. This is coupled with decreased flight frequency to the PRC. However, as demands for EBN continues, we were able to pass on the increase in cost to our customers. Therefore, we did not experience material impact from the increased rates.

(iii) Impact of COVID-19 on our sales

Our products are generally exported, with export sales contributing 43.03%, 99.58%, 99.38% and 98.55%, over FYE 2019 to FYE 2022. The PRC is a major market for our Group. The PRC was one of the first countries to resume economic activities in 2020, we exported 9,384 kg of RUCEBN to customers in the PRC in 2020.

Over FYE 2021, the PRC continued to be our main market, albeit with a reduced sales contribution in percentage that reduced from 99.58% to 99.38% as compared to FYE 2020. This is attributed to the continued reduced flight frequency to the PRC. However, the disruption is not material to our Group as our export sales had increased by 105.74%, from RM44.22 million to RM90.98 million. We are able to consolidate our monthly sales order to be delivered at the same time each time, with proper planning and coordination in our processing operations.

In FYE 2022, our exports to the PRC decreased to RM67.87 million or 15,075kg of RUCEBN due to the Zero-COVID Measures resulting in slowdown in our sales of RUCEBN to the PRC and a decrease of our average selling price.

7. BUSINESS OVERVIEW (CONT'D)

7.22 QUALITY CONTROL PROCEDURES

Our Group observes measures that emphasise on the quality and stringent hygiene and food safety handling practices over the course of our processing operations. Our operations adhere to and comply with the international quality standards and are highly traceable and recognised as good manufacturing practice by the relevant authorities. The table below lists the standards that we have practice in our operations:

Standards	Description
VHM	Issued by DVS, VHM is a scheme that prescribes the necessary food hygiene and sanitation requirements for operations and processing of food production.
GMP	A set of regulations issued by the MOH which aims to ensure that productions intended for human consumption are safe. It provides guidance for companies to improve food processing facilities.
MeSTI	MeSTI is a food safety programme undertaken by the MOH, with the objective of putting in place a system where the maintenance of food hygiene and process controls include food safety assurance and food traceability.
HALAL	Issued by JAKIM, the HALAL certification ensures that the product has complied with the Islamic laws and Malaysia Halal Standard.

7.23 BUSINESS STRATEGIES AND FUTURE PLANS

We intend to expand our presence by increasing the types of products to cater to the wider market. The following sub-sections detail our Group's future plans.

7.23.1 Expanding our Headquarter and processing facility

Our Group intends to expand our existing Headquarter and processing facility through the acquisition of the New Facility which is adjoining to our existing Headquarter and processing facility in Taman Melaka Raya, Melaka, Malaysia.

The planned expansion will support the execution of our business strategies and future plans for the following reasons:

- (i) the expanded processing facility will enable us to increase our RUCEBN processing capacity while at the same time enhancing our processing and operational efficiency, security management and greater cost optimisation by housing our operations in the same expanded area. As at the LPD, our capacity utilisation of our processing facility has reached 72.80%, and the planned expansion will cater for the future increase in demand of our RUCEBN; and
- (ii) facilitate greater processing volume to cater for our expansion into Vietnam.

The New Facility will provide us with an additional 25,344 sq. feet for the following activities:

- Expand our sorting area to accommodate more sorting workforce (up to 18 new workers) and increase our RUCEBN estimated maximum annual processing capacity by 41,472 kg of RUCEBN from 32,256 kg of RUCEBN to a total of 73,728 kg of RUCEBN;
- Install an additional one (1) cold room at the cost of approximately RM0.30 million to be funded via IPO proceeds as stated in Section 4.8.2 (*Renovation and fit out works of the New Facility*) of this Prospectus, to increase storage capacity for raw bird's nests by 2,760 kg from 1,848 kg to 4,608 kg which is in line with the increase in our processing capacity;
- House the operations (processing area, warehouse and office) by MBN International to export RUCEBN to Vietnam; and

7. BUSINESS OVERVIEW (CONT'D)

- House the operations (product display store, warehouse and office) of a new company for the sale of HALAL ready-to-drink bird's nest products.

The larger business premises and renovation work to be carried out will enable us to further streamline our RUCEBN processing operations with smoother process flow, thus increasing our processing and operational efficiency. Also, the higher storage and processing capacity will lead to greater economies of scale.

The total cost for the acquisition of the New Facility is approximately RM3.10 million. MBN Enterprise has executed the SPA and paid a deposit of RM296,000.00 which is equivalent to 10.00% of the agreed purchase price of RM2.96 million to Koperasi Polis on 29 April 2022, which was funded through our internally generated funds. The acquisition of the New Facility is expected to be completed by 2nd half of 2023. The State Consent for the transfer of the New Facility from Koperasi Polis to MBN Enterprise has been obtained on 26 April 2023.

The New Facility was previously used for hotel operations prior to the cessation of its business and as such, renovation and fit out works are required to be undertaken on the New Facility, we estimated it to be at a cost of RM3.20 million which will be funded from the IPO proceeds. The renovation is required to be in compliance with the food safety assessment and accreditation requirements by DVS and MOH, which include VHM Certificate, HACCP (for HALAL ready-to-drink bird's nest products), GMP Certificate and MeSTI certificate. Prior to obtaining the approvals for the food safety assessment and accreditation, the renovation to be undertaken on the New Facility shall be subject to the approval from Melaka Historic City Council that the New Facility is fit to be used as our processing facility for RUCEBN.

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds into interest-bearing accounts with licensed financial institutions or short-term money market instruments.

In the event that the actual proceeds utilised for the renovation and fit out works of the New Facility purchased are lower than the allocation of RM3.20 million, the excess will be allocated for working capital purposes. However, if the actual costs of renovation and fit out works for the New Facility are higher than the estimated amount as set out above, the shortfall will be funded by our internally generated funds and/or bank borrowings.

7.23.2 Exploring expansion into the processing and sale of RCEBN in the PRC through acquisition

Our Group intends to expand the type of products we offer by venturing into the processing and sale of RCEBN, which is another type of EBN product where the bird's nests are subjected to more comprehensive and tedious handling and cleaning process to reduce the biosecurity risks for importing country, i.e. the PRC as compared to processing of RUCEBN. The venture into the processing and sale of RCEBN is a natural extension of our existing product offerings and will provide a new revenue stream for our Group.

For this purpose, we have on 9 May 2023 executed the Equity Transfer Agreement with Zhang Dan, the vendor of Guangxi Nan Yang, a RCEBN processing company in the PRC, to acquire 80.00% equity interest in Guangxi Nan Yang at the purchase price of RMB540,000 (equivalent to approximately RM0.35 million). Although there are other RCEBN processing companies in Malaysia, our Group has decided to acquire Guangxi Nan Yang as Guangxi Nan Yang has been approved by the GACC to import RUCEBN into the PRC and has the facilities to process RUCEBN into RCEBN that will subsequently to be sold in the PRC. The proposed acquisition will fast track our expansion into processing and sale of RCEBN, as we will be able to leverage on Guangxi Nan Yang's existing processing expertise and facilities. At the same time, our Group will also be able to participate directly in the fast-growing EBN industry in the PRC, thereby reducing our reliance on other approved importers. We have on 14 July 2022 paid a refundable deposit of RMB154,000 (equivalent to RM100,000 based on the agreed exchange rate of RMB1:RM0.6494) to the vendor from our internally generated fund. The remaining balance purchase consideration of RMB386,000 (equivalent to approximately RM0.25 million) shall be paid by using IPO proceeds raised. The remaining 20.00% equity stake in Guangxi Nan Yang is currently owned by Ai Xin.

7. BUSINESS OVERVIEW (CONT'D)

The salient terms of the said Equity Transfer Agreement are as follows:

- (a) The purchase consideration of RMB540,000 (equivalent to approximately RM0.35 million) shall be paid by MYMBN in the following manner:-
 - (i) a refundable deposit of RMB154,000 (equivalent to RM100,000 based on the agreed exchange rate of RMB1:RM0.6494) had been paid to the vendor prior to the execution of the Equity Transfer Agreement on 14 July 2022;
 - (ii) the balance of the purchase consideration of RMB386,000.00 (equivalent to approximately RM0.25 million) only, shall be paid to the solicitor's appointed by the MYMBN as the stakeholder (the "**Stakeholder**"), within 14 days from the date of completion of the registration of the equity transfer and changes in equity interest as well as completion of the handover of the management rights to the MYMBN ("**Transfer**").
- (b) within 120 working days from the date of signing of Equity Transfer Agreement, the vendor shall effect the equity transfer and changes in equity interest for MYMBN to become the registered holder of 80% equity interest in Guangxi Nan Yang and to appoint Lavernt Chen as the new legal representative, executive director, and general manager of Guangxi Nan Yang including to handover the bank accounts of Guangxi Nan Yang to the management under the control of MYMBN.
- (c) within 14 days of from the completion of the Transfer, MYMBN shall contribute a sum of RMB1,000,000.00 (equivalent to approximately RM0.65 million) into Guangxi Nan Yang as MYMBN's capital contribution in share capital of Guangxi Nan Yang.
- (d) The completion date of the sale and purchase as contemplated in the Equity Transfer Agreement shall be on the date on which MYMBN becomes a registered shareholder and legally holding 80% equities in Guangxi Nan Yang or the date of issuance of the certificate of capital contribution, whichever is earlier.
- (e) If the vendor fails to perform its obligations under the Equity Transfer Agreement (including but not limited to its obligations under representations, warranties, and undertakings), or fails to complete the Equity Transfer Agreement, or any of the vendors' representations and warranties prove to be false, untrue, materially omitted, or misleading, the vendor shall be deemed to have breached the Equity Transfer Agreement, MYMBN has the right to terminate the Equity Transfer Agreement subject to MYMBN providing a notice of 30 days for the vendor to rectify the such breach ("**Notice**").

In the event that the vendor fails to rectify such breach as provided under the Notice, MYMBN shall have the right to unilaterally terminate the Equity Transfer Agreement via written notice of termination to the vendor, whereupon the vendor shall pay liquidated damages in the sum of RMB800,000.00 (equivalent to approximately RM0.52 million) only in addition to the refund of all amount paid under the Equity Transfer Agreement.

For further information, the MYMBN's capital contribution in share capital of Guangxi Nan Yang amounting to RMB1,000,000.00 (equivalent to approximately RM0.65 million) as stated in item (b) above will be funded by our internally generated funds.

The acquisition of the said company is currently pending the completion of the Transfer and is expected to be completed by the second half of 2023.

7. BUSINESS OVERVIEW (CONT'D)

Prior to the execution of this said Equity Transfer Agreement, MBN Enterprise had on 12 December 2022, carried out a test shipment to Guangxi Nan Yang as part of the due diligence process.

The cost of acquisition for the 80.00% in Guangxi Nan Yang and operating expenses are estimated at RM1.25 million and will be funded from the IPO proceeds. Should the acquisition fail to materialise, we will proceed to identify another suitable PRC's company for the acquisition. Otherwise, we could potentially venture into the processing of RCEBN in a new subsidiary to be incorporated by our Company and the new RCEBN processing facilities to be set-up in the New Facility.

Our Board does not foresee that there will be any material risks including any restrictions in the regulations in PRC on the acquisition by our Group of the RCEBN processing company in the PRC.

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds into interest-bearing accounts with licensed financial institutions or short-term money market instruments.

7.23.3 Setting-up of three (3) bird's nests collection centres in East Malaysia

During the FYE 2022, we source our raw bird's nest for our processing from various sources, which includes local bird's nest farmers, traders and agents located throughout Malaysia, which 96.59% are derived from West Malaysia. Therefore, it is our Group's intention to expand our sources of raw bird's nests from East Malaysia.

Currently, the logistics arrangement for RUCEBN from East Malaysia are handled by our Approved Suppliers.

We only source raw bird's nests from Approved Suppliers who obtained swiftlet house with identification registration and myGAP certification from DVS. As at the LPD, we have 18 Approved Suppliers with 224 swiftlets houses from whom we source our raw bird's nests. Out of the 224 swiftlets houses, 217 swiftlets houses are located in Peninsular Malaysia, while the remaining 7 swiftlets houses are located in East Malaysia. East Malaysia has more than 450, or over 20% of the swiftlet houses with identification registrations and myGAP certification from DVS, these represent a substantial source of bird's nests in Malaysia. Therefore, the expansion to East Malaysia is timely and would enable us to access a larger pool of suppliers for raw bird's nests, which is also necessary in light of our expansion plan into the processing and sale of RCEBN.

As at the LPD, we have set up a bird's nests collection centre in Kota Kinabalu, Sabah. We have commenced the business operation in November 2022 and have hired one (1) employee in December 2022. We expect to hire another two (2) employees by 3rd quarter of 2023. On 17 November 2022, we had conducted the first trial shipment of raw bird's nest from Kota Kinabalu, Sabah and received the shipment on 21 November 2022. In addition, we plan to set up three (3) more bird's nests collection centres to be located in (i) Tawau, Sabah by 3rd quarter of 2023, (ii) Kuching, Sarawak by 1st quarter of 2024 and, (iii) Sibul, Sarawak by 2nd quarter of 2024. The estimated cost for this purpose is estimated at RM1.68 million and will be funded from the IPO proceeds. We do not foresee any other material costs or cost savings arise from setting up the collection centres in East Malaysia.

While pending utilisation of the IPO proceeds raised, we will place the IPO proceeds into interest-bearing accounts with licensed financial institutions or short-term money market instruments.

If the actual costs of renovation and twenty-four (24) months of operating expenses required for the business operations of the three (3) bird's nests collection centres are higher than the estimated amount as set out above, the shortfall will be funded by our internally generated funds and/or bank borrowings.

7. BUSINESS OVERVIEW (CONT'D)

7.23.4 Diversifying our reliance on the PRC market by expanding into Vietnam

Our Group recognises that we are highly dependent on our customers in the PRC, for our bird's nest products and as such, we will be pursuing the strategic step to diversify and expand into other markets. To this effect, we have incorporated MBN International to focus on the marketing and selling of our bird's nest products to Vietnam, mainly on our Ban and Cui Series of RUCEBN. We have identified Vietnam as an appropriate destination for us based on our Non-Independent Executive Director / CEO, Lavernt Chen's familiarity and experience with the bird's nests market in Vietnam attained through his past dealings in the country.

According to the Asian Development Bank, Vietnam's economy grew by 8.0% in 2022 (2021: 2.6%) as the removal of COVID-19 restrictions and the achievement of nationwide vaccine coverage boosted growth, particularly in services. While growth in the country is forecast to be constrained in 2023 by the global slowdown, continued monetary tightening and, the war between Russia and Ukraine, the reopening of China is expected to be positive for the country despite such headwinds. Accordingly, Vietnam's economy is forecast to grow by 6.5% in 2023. Along with the PRC, consumers in Vietnam are highly appreciative of bird's nests and demand is expected to increase in tandem with a rapidly rising middle-income class and increasing disposable income. In addition, consumers in Vietnam are becoming increasingly willing to spend on healthcare. (*Source: IMR Report*)

Unlike the PRC, there is no specific approval required for the export of RUCEBN into Vietnam. In addition, our Group hired five (5) employees for this purpose, and we intend to work with local agents in Vietnam to market our RUCEBN. Given the positive prospects seen for Vietnam above, our Group commenced our first sale of RUCEBN to Vietnam on 4 April 2023.

7.23.5 Expansion of business into HALAL ready-to-drink bird's nest products

Traditionally, EBN were sold in its dried whole nest form (cup-shaped nest). However, due to its exorbitant pricing, EBN were generally not affordable to the mass market. As such, there is a demand gap for more affordable EBN products catering for the masses.

Accordingly, we intend to expand downstream by venturing into the production of our own "mf" branded affordable HALAL ready-to-drink bird's nest products which utilises our lower priced EBN strips to cater for the mass market EBN demand. To this end, we will work with contract manufacturers in Malaysia with the required food and safety certification including those from the MOH, HALAL certification from JAKIM and HACCP certification to develop and manufacture our own branded HALAL ready-to-drink bird's nest products. The expansion downstream will provide an additional revenue stream for our Group.

Our HALAL ready-to-drink bird's nest product will be positioned as a quality yet affordable branded product targeted at the masses. In order to create greater brand awareness and reach out to our targeted customers, we will carry out various marketing initiatives utilising both traditional and digital media marketing channels.

Our Group intends to hire three (3) employees who will be involved in the expansion of business into HALAL ready-to-drink bird's nest products. The estimated cost to kick-start the business is estimated at RM0.50 million of which includes RM0.15 million allocated for employees' salaries for the first twelve (12) months, RM0.23 million allocated for marketing expenses, and RM0.10 million allocated for inventory costs. Meanwhile, our Group is required to apply for HALAL certification from JAKIM in order for our brand of ready-to-drink bird's nest products to be certified HALAL, and the cost for applications is estimated at RM0.02 million.

We expect the plans to be implemented within twenty-four (24) months from the date of our Listing, subject to the HALAL certification being issued. Such plans will be funded via our internally generated funds and/or bank borrowings.

7. BUSINESS OVERVIEW (CONT'D)

7.24 PROSPECTS OF THE GROUP

We believe our prospects in the EBN industry to be encouraging moving forward.

Following an economic contraction in 2020, Malaysia's gross domestic product expanded by 3.1% despite a resurgence in COVID-19 cases and lockdown measures in 2021. Malaysia's economy further expanded by 8.7% in 2022 following the announcement of the transition of COVID-19 into an endemic phase during the year by the Malaysian Government, whereby all economic sectors were allowed to operate without restriction. The EBN industry in Malaysia had remained resilient during the pandemic and registered positive growths during the past three years. According to the IMR Report, the value of exports of EBN in Malaysia grew by 30.0% to an estimated RM1,446.70 million in 2022 from RM1,112.90 million in 2021.

Factors boosting the growth within the EBN industry are likely to come from the increasing demand for EBN from international and local markets. In particular, there has been a rapid rise in demand for Malaysian EBN in the PRC in recent years, where more cities have been increasing their consumption of EBN. This trend has also been bolstered by the growing middle-income in the country, making EBN more accessible to a larger pool of consumers. At the same time, the growing affluence of consumers have also bolstered demand for local EBN. The growing disposable income has led to EBN being accessible to a larger pool of consumers. As more consumers become aware of the benefits of consuming EBN, it is also expected to drive higher demand for EBN going forward.

On the supply side, the development of the local EBN industry is expected to be supported by Government initiatives. The Government has established an EPP under the Economic Transformation Programme to boost the production of EBN within the country, as well as to push for further exports of EBN via collaboration with the authorities of other countries.

Overall, exports of Malaysian EBN are expected to continue increasing in the future, with exports expected to reach RM1,880.70 million in 2023 and further grow to RM6,246.80 million in 2027, representing a CAGR of 34.0% during the forecast period.

In terms of the PRC, demand for EBN has increased, where it recorded a CAGR of 86.4% for the period from 2015 to 2022. The demand in the country has continued to drive exports from countries that have obtained approval from the relevant authorities in the PRC, such as Singapore, Indonesia, Malaysia and Thailand. Going forward, the prospect of the EBN industry in the PRC remains positive. The EBN industry will continue to expand with more EBN products driving consumption by a larger pool of customers, greater access to EBN being enabled by the rise of e-commerce platforms, as well as the growing spending power of the population. *(Source : IMR Report)*

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7. BUSINESS OVERVIEW (CONT'D)

7.25 EMPLOYEES

As at the LPD, the Group employs a total workforce of 52 employees, all of which are local employees employed on a permanent basis. We do not have any foreign workers in our Company.

The breakdown of the Group's workforce as at 31 December 2022 and as at the LPD is as follows:

Category	No. of employees	
	As at 31 December 2022	As at the LPD
Directors and key management	4	4
Finance	2	3
Administration ⁽¹⁾	7	9
Human resources	1	1
Procurement	5	6
Processing	25	25
Quality control	4	4
Total	48	52

Note:

(1) Administration includes logistics, maintenance and housekeeping.

As at the LPD, none of the Group's employees is a member of any union and there has not been any industrial dispute pertaining to our employees.

7.26 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Sustainability encompasses all aspects of ethical business practices, addressing relevant Environmental, Social and Governance ("ESG") issues responsibly and profitably.

Our Group recognises the importance of sustainability and its increasing impact to the business. Our Group is committed to understanding and implementing sustainable practices and to exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success. Therefore, our Board has on 7 July 2022 adopted the Sustainability Policy with the objective of integrating the principles of sustainability into our Group's strategies, policies and procedures.

(a) Environmental

We endeavour to adhere to environmentally friendly practices in our processing of RUCEBN which minimises emission of air pollutants or discharge of contaminated effluents.

As our contribution to the preservation of biodiversity, raw bird's nest for our processing into RUCEBN, are sourced only from myGAP certified swiftlet houses which encompasses good agricultural practices, translating into a higher level of environmental sustainability.

Reducing the use of paper in our operations and utilising digital documents where possible and practical is encouraged. Our Group also promotes recycling and encourages all employees to collect recyclable waste in the office. Energy conservation is also advocated throughout our office in our effort to reduce carbon footprint by minimising the electricity wastage.

7. BUSINESS OVERVIEW (CONT'D)

(b) Social

We place a strong emphasis on the safety and health of our employees. In line with that, we have a Safety and Health Policy as well as a safety and health committee overseeing safety and health matters and mitigating any associated safety and health risks at our workplace. Our processing facility and machineries installed within our premises have been registered with DOSH under the Factories and Machinery Act 1967, any necessary Certificate of Fitness for applicable machineries had also been obtained and maintained. Safety and health related trainings are also conducted annually to increase the level of safety and health awareness among all employees.

We practice gender equality and cultural diversity with equal opportunities for employment, career development and advancement in pay to attract and retain our employees. Furthermore, we are committed to supporting Persons with Disabilities ("PWD") by offering them jobs and assisting in their livelihoods. Our target is to have at least 10% of our workforce comprising of PWD.

We are also firm believers in human capital and invest in it. For our operations personnel, we establish comprehensive annual training plans with a focus on food safety related courses such as, amongst others, GMP awareness, HACCP awareness and operation control to ensure that they are able to upskill themselves or maintain their good standards in the processing of RUCBN. For all other non-operations personnel, suitable training courses such as accounting standards, employment laws and regulations, will be determined on a case-by-case basis and arranged for their continuous professional development.

Corporate Social Responsibility (CSR) activities are also planned and organised by our Administration personnel where our employees give back to the society, particularly the underprivileged or vulnerable groups, by conducting visits, having interactions and providing support via donations of essential goods, food or cash.

(c) Governance

Our Board is committed to achieving and sustaining high standards of corporate governance according to the MCGG, i.e. ethical behaviour, accountability, transparency and sustainability, in order to promote business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of our stakeholders. In relation to board oversight and governance structures, we are compliant with the MCGG.

In addition, we have in place policies, procedures and practices to promote and maintain compliances in relation to the following:

- (i) Malaysian Anti-Corruption Commission Act 2009;
- (ii) Whistleblower Protection Act 2010;
- (iii) Personal Data Protection Act 2010;
- (iv) Employment Act 1955;
- (v) Food Act 1983; and
- (vi) Factories and Machinery Act 1967.

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