

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(i) Impairment (Cont'd)****(i) Impairment of Financial Assets (Cont'd)**

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**(ii) Impairment of Non-financial Assets**

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

**(j) Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) Leases (Cont'd)**

The Group recognises a right-of-use asset at the lease commencement date. The right-of-use assets is presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined as follow:-

Buildings	2%
Leasehold land	Over the lease period of 74 to 77 years

**(k) Income Taxes****(i) Current Tax**

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

**(ii) Deferred Tax**

Deferred tax is recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(k) Income Taxes (Cont'd)****(ii) Deferred Tax (Cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

**(l) Employee Benefits****(i) Short-term Benefits**

Wages, salaries, paid annual leave, and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

**(ii) Defined Contributions Plans**

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

**(m) Borrowing Costs**

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(n) Operating Segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**(o) Earnings per Ordinary Share**

Basic earnings per ordinary share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the profit or loss attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

**(p) Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(q) Revenue From Contracts with Customers**

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

**(i) Sale of goods**

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**(r) Deposit Placed for Life Insurance Policy**

The Group acquired key management policy, which includes death benefit and refund of premium benefit. The life insurance policy is initially recognised at the amount of premium paid, and subsequently measured at each financial year end at its cash surrender value. Changes to the cash surrender value at each financial year end will be recognised in profit or loss as a gain/loss on deposit. In the event of death of the insured person, the surrender of the policy, or the policy mature, the deposit will be de-recognised and any resulting gains/losses will be recognised in profit or loss.

**(s) Other Operating Income****(i) Interest Income**

Interest income is recognised on an accrual basis using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**4. PROPERTY, PLANT AND EQUIPMENT**

<i>Carrying Amount</i>	Computer and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Cold room, machinery and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 January 2019	165	79	151	245	-	640
Additions (Note 22(a))	17	4	7	42	83	153
Depreciation charges (Note 19)	(41)	(10)	(17)	(34)	-	(102)
At 31 December 2019	141	73	141	253	83	691

<i>Carrying Amount</i>	Computer and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Cold room, machinery and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 January 2020	141	73	141	253	-	83	691
Additions (Note 22(a))	97	55	200	203	120	-	675
Transfer from capital work-in-progress	-	-	70	13	-	(83)	-
Depreciation charges (Note 19)	(60)	(15)	(43)	(58)	(12)	-	(188)
At 31 December 2020	178	113	368	411	108	-	1,178

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

<i>Carrying Amount</i>	Computer and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Cold room, machinery and equipment RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2021	178	113	368	411	108	1,178
Additions (Note 22(a))	232	37	426	136	60	891
Disposals	-	-	-	-	(3)	(3)
Depreciation charges (Note 19)	(99)	(16)	(57)	(64)	(13)	(249)
At 31 December 2021	311	134	737	483	152	1,817

<i>Carrying Amount</i>	Computer and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Cold room, machinery and equipment RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2022	311	134	737	483	152	1,817
Additions (Note 22(a))	17	-	76	5	-	98
Depreciation charges (Note 19)	(85)	(18)	(89)	(69)	(18)	(279)
At 31 December 2022	243	116	724	419	134	1,636

At 31 December 2019	Computer and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Cold room, machinery and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Cost	220	91	175	318	83	887
Accumulated depreciation	(79)	(18)	(34)	(65)	-	(196)
Carrying amount	141	73	141	253	83	691

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Computer and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Cold room, machinery and equipment RM'000	Motor vehicles RM'000	Total RM'000
At 31 December 2020						
Cost	317	146	445	534	120	1,562
Accumulated depreciation	(139)	(33)	(77)	(123)	(12)	(384)
Carrying amount	178	113	368	411	108	1,178

	Computer and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Cold room, machinery and equipment RM'000	Motor vehicles RM'000	Total RM'000
At 31 December 2021						
Cost	549	183	871	670	177	2,450
Accumulated depreciation	(238)	(49)	(134)	(187)	(25)	(633)
Carrying amount	311	134	737	483	152	1,817

	Computer and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Cold room, machinery and equipment RM'000	Motor vehicles RM'000	Total RM'000
At 31 December 2022						
Cost	566	183	947	675	177	2,548
Accumulated depreciation	(323)	(67)	(223)	(256)	(43)	(912)
Carrying amount	243	116	724	419	134	1,636



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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****5. RIGHT-OF-USE ASSETS**

<i>Carrying Amount</i>	Leasehold land and buildings RM'000
At 1 January 2019	455
Depreciation charges (Note 19)	(6)
At 31 December 2019	<u>449</u>
At 1 January 2020	449
Additions (Note 22(a))	1,060
Depreciation charges (Note 19)	(20)
At 31 December 2020	<u>1,489</u>
At 1 January 2021	1,489
Additions (Note 22(a))	1,316
Depreciation charges (Note 19)	(42)
At 31 December 2021	<u>2,763</u>
At 1 January 2022	2,763
Depreciation charges (Note 19)	(48)
At 31 December 2022	<u>2,715</u>

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Leasehold land and buildings				
Cost	461	1,521	2,837	2,837
Accumulated depreciation	(12)	(32)	(74)	(122)
Carrying amount	<u>449</u>	<u>1,489</u>	<u>2,763</u>	<u>2,715</u>

(a) The Group leases few pieces of leasehold land and buildings of which the leasing activities are summarised below:-

Leasehold land and buildings The Group has entered into few non-cancellable operating lease agreements for the use of land and buildings. The leases are for period of 74 to 77 years.

(b) The right-of-use assets are pledged to licensed banks for banking facilities extended to the Group as disclosed in Note 15 and Note 16 to the financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****6. DEFERRED TAX (ASSETS)/LIABILITIES**

	At 1 January 2019 RM'000	Recognised in Profit or Loss (Note 20) RM'000	At 31 December 2019 RM'000
<b>2019</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	14	3	17
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(96)	-	(96)
	<u>(82)</u>	<u>3</u>	<u>(79)</u>
<b>2020</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	17	49	66
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(96)	-	(96)
	<u>(79)</u>	<u>49</u>	<u>(30)</u>
<b>2021</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	66	141	207
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(96)	33	(63)
	<u>(30)</u>	<u>174</u>	<u>144</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****6. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)**

	At 1 January 2022 RM'000	Recognised in Profit or Loss (Note 20) RM'000	At 31 December 2022 RM'000
<b>2022</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	207	29	236
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(63)	-	(63)
	<u>144</u>	<u>29</u>	<u>173</u>

**7. INVENTORIES**

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
At cost:-				
Raw materials	-	-	291	-
Finished goods	2,403	3,254	4,794	4,310
	<u>2,403</u>	<u>3,254</u>	<u>5,085</u>	<u>4,310</u>
Recognised in profit or loss:-				
Inventories recognised as cost of sales	10,775	38,899	80,575	58,911
	<u>10,775</u>	<u>38,899</u>	<u>80,575</u>	<u>58,911</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****8. TRADE AND OTHER RECEIVABLES**

	NOTE	As at 31 December			
		2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Trade receivables</b>					
<u>Current</u>					
Third parties	(a)	417	2,746	262	2,549
Amount owing by a corporate shareholder	(a)	682	-	-	-
		1,099	2,746	262	2,549
Less: Allowance for impairment loss		(400)	(400)	(262)	(262)
Net trade receivables		699	2,346	-	2,287
<b>Other receivables</b>					
<u>Non-current</u>					
Deposit placed for life insurance policy:-	(b)				
At 1 January		-	-	-	80
Additions		-	-	80	-
At 31 December		-	-	80	80
<u>Current</u>					
Advanced payment to suppliers		-	4,881	-	-
Amount owing by company in which a director has financial interest		-	3	-	-
Deposit		71	171	31	431
Prepayments		4	10	30	266
		75	5,065	61	697
Total trade and other receivables – current		774	7,411	61	2,984

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****8. TRADE AND OTHER RECEIVABLES (CONT'D)**

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Allowance for impairment losses:-				
At 1 January	400	400	400	262
Reversal during the financial year (Note 18)	-	-	(138)	-
At 31 December	<u>400</u>	<u>400</u>	<u>262</u>	<u>262</u>

- (a) The Group's normal trade credit terms is 14 (2021 – 14, 2020 – 14 and 2019 – 14) days. Other credit terms are assessed and approved on a case-by-case basis.
- (b) During the FYE 31 December 2021, a life insurance policy (the "Policy") was taken to insure the chief executive officer of the Group (the "Insured Person"). Under the Policy, the beneficiary is a bank (the "Bank") and the total insured sum is RM350,000. At the inception of the Policy, the Group paid an upfront payment of RM80,202. For any insured events happened to the Insured Person, the insured sum will first be used to settle the outstanding bank loan of the Group from the Bank and thereafter any excess amount will be payable to the Group. The Policy can be withdrawn at any time with surrender charges if such withdrawal occurs before the 10th anniversary from the date of inception and a cash refund will be based on the cash surrender value of the Policy at the date of withdrawal.

As at 31 December 2022, the directors of the Group expect that the Policy will be terminated at the 10th anniversary from the date of inception and there will be no specific surrender charges in accordance with the terms of the Policy. The directors of the Group consider that the expected life of the Policy will remain unchanged from initial recognition.

In the event of death of the Insured Person, the deposit will be derecognised and any resulting gains or losses will be recognised in profit or loss.

**9. FIXED DEPOSIT WITH A LICENSED BANK**

- (a) The fixed deposit with a licensed bank of the Group at the end of the reporting period bore effective interest rate of 1.85% (2021 – Nil, 2020 – Nil and 2019 – Nil) per annum. The fixed deposit has maturity period of 12 months (2021 – Nil, 2020 – Nil and 2019 – Nil).
- (b) The fixed deposit with a licensed bank of the Group at the end of reporting period of RM500,000 (2021 – RM Nil, 2020 – RM Nil and 2019 – RM Nil) has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 15 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**10. SHARE CAPITAL AND INVESTED CAPITAL**

**(a) Share Capital**

	As at 31 December				
	2019	2020	2021	2022	2022
NUMBER OF SHARES	'000	'000	'000	'000	RM'000
Issued and Fully Paid-up					
Ordinary Shares					
At 1 January/At date of incorporation	-	-	-	^	-
Issuance of new shares pursuant to:-					
- Acquisition of a subsidiary	-	-	-	288,000	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>288,000</b>	<b>10,800</b>

Note :

^ – Denote 1 ordinary share

\* – Denote RM1

(i) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(ii) During the FYE 31 December 2022, the Company increased its issued and paid-up share capital from RM1 to RM10,800,001 by way of issuance of 287,999,999 new ordinary shares at RM0.0375 to acquire the entire equity interest MBN Enterprise for a purchase consideration of RM10,800,000.

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**10. SHARE CAPITAL AND INVESTED CAPITAL (CONT'D)**

**(b) Invested Capital**

	As at 31 December						
	2019	2020	2021	2019	2020	2021	2022
	'000	'000	'000	RM'000	RM'000	RM'000	RM'000
			NUMBER OF SHARES				
				'000	'000	'000	'000
<b>Issued and Fully Paid-up</b>							
Ordinary Shares							
At 1 January	500	500	500	500	500	500	500
Adjustment pursuant to the acquisition of a subsidiary	-	-	-	(500)	-	-	(500)
<b>At 31 December</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>-</b>

For the purpose of this report, the total number of ordinary shares as at 31 December 2019, 31 December 2020 and 31 December 2021 represent the aggregate number of issued and fully paid-up ordinary shares of all combining entities within the Group. During the FYE 31 December 2022, the amount has been reversed pursuant to the completion of the acquisition of the subsidiary.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****11. MERGER DEFICIT**

The merger deficit arise from the difference between carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under merger accounting principles.

**12. LONG-TERM BORROWINGS**

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Term loans (Note 16)	555	1,784	2,389	1,915

**13. TRADE AND OTHER PAYABLES**

	NOTE	As at 31 December			
		2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Trade payables</b>					
Amount owing to corporate shareholders	(a)	-	242	-	-
Amount owing to a company in which a director has interest	(a)	-	1,260	-	-
Third parties	(a)	556	1,998	545	1,023
		<u>556</u>	<u>3,500</u>	<u>545</u>	<u>1,023</u>
<b>Other payables</b>					
Amount owing to corporate shareholders	(b)	1,726	1,750	-	-
Amount owing to a company in which a director has interest	(b)	-	450	-	-
Other payables		68	86	29	74
Accruals		106	143	250	206
		<u>1,900</u>	<u>2,429</u>	<u>279</u>	<u>280</u>
		<u>2,456</u>	<u>5,929</u>	<u>824</u>	<u>1,303</u>

(a) The normal trade credit terms granted to the Group is 14 (2021 – 14, 2020 – 14 and 2019 – 14) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) The non-trade balances represent unsecured and interest-free advances. The amounts owing are to be settled in cash and repayable on demand.



**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****14. AMOUNT DUE TO DIRECTORS**

Advances from directors are unsecured, interest-free and repayable on demand.

**15. SHORT-TERM BORROWINGS**

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Bankers' acceptances	-	-	1,000	2,422
Term loans (Note 16)	99	172	133	68
	<u>99</u>	<u>172</u>	<u>1,133</u>	<u>2,490</u>

The weighted average effective interest rates at the end of the reporting period for borrowings were as follows:-

	As at 31 December			
	2019 %	2020 %	2021 %	2022 %
Bankers' acceptances	-	-	3.28	5.11
Term loans (Note 16)	5.05	4.44	4.03	4.55

The bankers' acceptances are secured by the following:-

- (i) by fixed charges over the Group's leasehold land and buildings as disclosed in Note 5 to the financial statements;
- (ii) by joint and several guarantee of certain directors of the Group; and
- (iii) by pledged of fixed deposit with a licensed bank of the Group as disclosed in Note 9 to the financial statements.

**16. TERM LOANS**

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Current liabilities (Note 15)	99	172	133	68
Non-current liabilities (Note 12)	555	1,784	2,389	1,915
	<u>654</u>	<u>1,956</u>	<u>2,522</u>	<u>1,983</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****16. TERM LOANS (CONT'D)**

- (a) The term loans are secured by the following:-
- (i) by fixed charges over leasehold land and buildings of the Group as disclosed in Note 5 to the financial statements;
  - (ii) by joint and several guarantee of certain directors of the Group; and
  - (iii) by corporate guarantee of a corporation connected to a director of the Group.
- (b) The weighted average effective interest rate of term loans are 4.55% (2021 – 4.03%, 2020 – 4.44% and 2019 – 5.05%) per annum.

**17. REVENUE**

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<u>Revenue recognised at a point in time</u>				
Sales of edible bird's nest	11,897	44,408	91,556	68,871
Represented by geographical market:-				
Malaysia	6,777	186	572	999
PRC	3,096	44,222	90,984	67,872
Hong Kong	2,024	-	-	-
	<u>11,897</u>	<u>44,408</u>	<u>91,556</u>	<u>68,871</u>

**18. REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS**

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Reversal of impairment losses:				
- Trade receivables (Note 8)	-	-	138	-
	<u>-</u>	<u>-</u>	<u>138</u>	<u>-</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****19. PROFIT BEFORE TAXATION**

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:-				
- current year	6	24	48	69
- over provision in the previous financial year	-	-	-	(10)
Contributions to defined contribution plan:-				
- directors of the Company	9	11	20	39
- others	28	58	143	182
Depreciation of property, plant and equipment (Note 4)	102	188	249	279
Depreciation of right-of-use assets (Note 5)	6	20	42	48
Directors' remuneration:-				
- directors' fee	24	12	12	30
- non-fee emoluments	73	86	171	356
Interest expenses on financial liabilities that are not at fair value through profit or loss:-				
- bankers' acceptances	-	-	6	74
- term loans	23	45	92	92
Lease expenses:-				
- short-term lease	49	58	40	21
Listing expenses	-	-	301	702
Loss on disposal of property, plant and equipment	-	-	*	-
Loss on foreign exchange - realised	-	72	7	202
Staff costs:-				
- short-term employee benefits	298	719	1,566	1,882
Total interest income on financial assets measured at amortised cost	(2)	(5)	(11)	(19)

Note :

(\*) – Amount is less than RM500

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****20. INCOME TAX EXPENSE**

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Current tax expenses	46	1,049	2,057	1,643
(Over)/Under provision in the previous financial year	(1)	9	(8)	53
	<u>45</u>	<u>1,058</u>	<u>2,049</u>	<u>1,696</u>
Deferred tax expenses (Note 6):				
- Origination or reversal of temporary differences	3	-	147	28
- Under provision in the previous financial year	-	49	27	1
	<u>3</u>	<u>49</u>	<u>174</u>	<u>29</u>
Total income tax expense	<u>48</u>	<u>1,107</u>	<u>2,223</u>	<u>1,725</u>

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group is as follows:-

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Profit before taxation	<u>235</u>	<u>4,313</u>	<u>8,955</u>	<u>6,047</u>
Tax at the statutory tax rate of 24%	56	1,035	2,149	1,451
Tax effects of:-				
Non-taxable income	-	-	(19)	-
Non-deductible expenses	9	56	116	220
Effect of change in corporate income tax rate	(16)	(42)	(42)	-
(Over)/Under provision of current tax expenses in previous financial year	(1)	9	(8)	53
Under provision of deferred tax expenses in previous financial year	-	49	27	1
	<u>48</u>	<u>1,107</u>	<u>2,223</u>	<u>1,725</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****21. EARNINGS PER SHARE**

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Profit attributable to owners of the Company	187	3,206	6,732	4,322
Number of ordinary shares ('000) #	288,000	288,000	288,000	288,000
Basic and diluted earnings per share (sen)	0.06	1.11	2.34	1.50

Note :

(#) – It is assumed to be the number of ordinary shares before public issue.

**22. CASH FLOW INFORMATION**

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:-

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Property, plant and equipment</b>				
Cost of property, plant and equipment purchased (Note 4)	153	675	891	98
<b>Right-of-use assets</b>				
Cost of right-of-use assets purchased (Note 5)	-	1,060	1,316	-

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****22. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Term Loans RM'000	Amount Owing to Related Parties RM'000	Amount Owing to Directors RM'000	Total RM'000
<b>2019</b>				
At 1 January	196	1,750	750	2,696
<u>Changes in Financing Cash Flows</u>				
Net repayment to	-	(24)	-	(24)
Proceeds from drawdown	540	-	-	540
Repayment of borrowing principal	(82)	-	-	(82)
Repayment of borrowing interests	(23)	-	-	(23)
	435	(24)	-	411
<u>Non-cash Changes</u>				
Interest expense recognised in profit or loss (Note 19)	23	-	-	23
At 31 December	654	1,726	750	3,130
<b>2020</b>				
At 1 January	654	1,726	750	3,130
<u>Changes in Financing Cash Flows</u>				
Net advance from	-	474	6	480
Proceeds from drawdown	1,354	-	-	1,354
Repayment of borrowing principal	(52)	-	-	(52)
Repayment of borrowing interests	(45)	-	-	(45)
	1,257	474	6	1,737
<u>Non-cash Changes</u>				
Interest expense recognised in profit or loss (Note 19)	45	-	-	45
At 31 December	1,956	2,200	756	4,912

**13. ACCOUNTANTS' REPORT (CONT'D)**

**MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**22. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Term Loans RM'000	Bankers' Acceptances RM'000	Amount Owing to Related Parties RM'000	Directors RM'000	Total RM'000
<b>2021</b>					
At 1 January	1,956	-	2,200	756	4,912
<u>Changes in Financing Cash Flows</u>					
Net repayment to	-	-	(2,200)	(756)	(2,956)
Proceeds from drawdown	747	1,000	-	-	1,747
Repayment of borrowing principal	(181)	-	-	-	(181)
Repayment of borrowing interests	(92)	(6)	-	-	(98)
	474	994	(2,200)	(756)	(1,488)
<u>Non-cash Changes</u>					
Interest expense recognised in profit or loss (Note 19)	92	6	-	-	98
At 31 December	2,522	1,000	-	-	3,522

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****22. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Term Loans RM'000	Bankers' Acceptances RM'000	Total RM'000
<b>2022</b>			
At 1 January	2,522	1,000	3,522
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	-	2,422	2,422
Repayment of borrowing principal	(539)	(1,000)	(1,539)
Repayment of borrowing interests	(92)	(74)	(166)
	<u>(631)</u>	<u>1,348</u>	<u>717</u>
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss (Note 19)	92	74	166
At 31 December	<u>1,983</u>	<u>2,422</u>	<u>4,405</u>

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**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****22. CASH FLOW INFORMATION (CONT'D)**

(c) The total cash outflows for leases as a lessee are as follows:-

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Right-of-use assets</b>				
Payment of short-term leases	49	58	40	21

(d) The cash and cash equivalents comprise the following:-

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Fixed deposit with a licensed bank	-	-	-	500
Cash and bank balances	329	288	6,398	8,999
	329	288	6,398	9,499
Less: Fixed deposit pledged to a licensed bank	-	-	-	(500)
	329	288	6,398	8,999

**23. RELATED PARTY DISCLOSURES**

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****23. RELATED PARTY DISCLOSURES (CONT'D)**

## (b) Significant related party transactions and balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:-

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Corporate shareholders</b>				
Purchase of goods	2,953	4,665	98	-
Purchase of leasehold land and buildings	-	1,060	-	-
Rental expenses	48	24	-	-
Sales of goods	(3,227)	(186)	(572)	-
<b>Corporation connected to a director of the Company</b>				
Purchase of goods	465	4,739	4,635	1,169
Sales of goods	(36)	-	-	-
<b>A director and his close family member</b>				
Purchase of goods	-	619	-	-
<b>A director of the Company</b>				
Purchase of motor vehicle	-	6	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

**24. OPERATING SEGMENTS**

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

Major Customers

Revenue from external customers which contributed 10% or more to the total revenue recognised is as follows:

	FYE 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Customer A group of companies <sup>(1)</sup>	1,485	26,820	69,101	53,983
Customer B group of companies <sup>(1)</sup>	*	5,466	12,047	7,557
Customer C	*	10,446	9,325	-
Customer D	3,227	*	*	-

Notes:

<sup>(1)</sup> – The customer group of companies included two companies which are under common management.

<sup>(\*)</sup> – Less than 10%

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS**

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

**25.1 FINANCIAL RISK MANAGEMENT POLICIES**

The Group's policies in respect of the major areas of treasury activity are as follows:-

**(a) Market Risk****(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is primarily Renminbi or Chinese Yuan ("RMB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entity) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

*Foreign Currency Exposure*RMB

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<u>Financial Assets</u>				
Trade receivables	-	2,346	-	2,287
Cash and bank balances	-	-	1,949	215
Currency exposure	-	2,346	1,949	2,502

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)****25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the financial year, with all other variables held constant:-

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Effects on Profit After Taxation</b>				
RMB/RM – strengthened by 7% (2021: 5%, 2020: 5% and 2019: Nil)	-	+89	+74	+133
RMB/RM – weakened by 7% (2021: 5%, 2020: 5% and 2019: Nil)	-	-89	-74	-133

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings is carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 15 and 16 to the financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)****25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(ii) Interest Rate Risk (Cont'd)***Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Effects on Profit After Taxation</b>				
Increase of 93 (2021: 122, 2020: 122 and 2019: 20) basis points	-1	-18	-33	-31
Decrease of 93 (2021: 122, 2020: 122 and 2019: 20) basis points	+1	+18	+33	+31

**(b) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)****25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(i) Credit Risk Concentration Profile**

The Group's major concentration of credit risk relates to the amounts owing by 2 (2021 – Nil, 2020 – 2 and 2019 – 1) customers which constituted approximately 100% (2021 – Nil, 2020 – 100% and 2019 – 98%) of its trade receivables (including related party) at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related party) at the end of the reporting period as follows:-

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
PRC	-	2,346	-	2,287
Malaysia	699	-	-	-
	<u>699</u>	<u>2,346</u>	<u>-</u>	<u>2,287</u>

**(ii) Maximum Exposure to Credit Risk**

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

**(iii) Assessment of Impairment Losses**

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)**

## 25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 days past due.

*Trade Receivables*

The Group applies the simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

- (i) Inputs, assumptions and techniques used for estimating impairment losses

To measure the expected credit losses, trade receivables (including related companies) have been grouped based on share credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate as the key macroeconomic factor of the forward-looking information.

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)**

## 25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

*Trade Receivables (Cont'd)*Allowance for Impairment Losses

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables are summarised below:-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
<b>31.12.2019</b>				
Current (not past due)	3	-	-	3
31 to 60 days past due	683	-	-	683
91 to 120 days past due	13	-	-	13
More than 180 days past due	400	(400)	-	-
Trade receivables	1,099	(400)	-	699
<b>31.12.2020</b>				
Current (not past due)	2,346	-	-	2,346
More than 180 days past due	400	(400)	-	-
Trade receivables	2,746	(400)	-	2,346



**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)****25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)***Trade Receivables (Cont'd)*Allowance for Impairment Losses (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables are summarised below (cont'd):-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
<b>31.12.2021</b>				
More than 180 days past due	262	(262)	-	-
	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
<b>31.12.2022</b>				
Current (not pass due)	2,287	-	-	2,287
More than 180 days past due	262	(262)	-	-
Trade receivables	2,549	(262)	-	2,287

The movements in the loss allowances in respect of trade receivables is disclosed in Note 8 to the financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)**

## 25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

*Other Receivables*

The Group applied the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

*Fixed Deposit with a Licensed Bank, Cash and Bank Balances*

The Group considers these licensed banks to have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

**13. ACCOUNTANTS' REPORT (CONT'D)**

**MYMBN BERHAD**

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**25. FINANCIAL INSTRUMENTS (CONT'D)**

**25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk**

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000	Over 5 Years RM'000
<b>31.12.2019</b>						
<u>Non-derivative Financial Liabilities</u>						
Term loans	5.05	654	783	158	163	462
Trade and other payables	-	2,456	2,456	2,456	-	-
Amount due to directors	-	750	750	750	-	-
		<b>3,860</b>	<b>3,989</b>	<b>3,364</b>	<b>163</b>	<b>462</b>

**13. ACCOUNTANTS' REPORT (CONT'D)**

**MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**25. FINANCIAL INSTRUMENTS (CONT'D)**

**25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000	Over 5 Years RM'000
<b>31.12.2020</b>						
<u>Non-derivative Financial Liabilities</u>						
Term loans	4.44	1,956	2,733	269	874	1,590
Trade and other payables	-	5,929	5,929	5,929	-	-
Amount due to directors	-	756	756	756	-	-
		<b>8,641</b>	<b>9,418</b>	<b>6,954</b>	<b>874</b>	<b>1,590</b>

**13. ACCOUNTANTS' REPORT (CONT'D)**

**MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**25. FINANCIAL INSTRUMENTS (CONT'D)**

**25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000	Over 5 Years RM'000
<b>31.12.2021</b>						
<u>Non-derivative Financial</u>						
<u>Liabilities</u>						
Term loans	4.03	2,522	3,561	236	1,839	1,486
Bankers' acceptances	3.28	1,000	1,000	1,000	-	-
Trade and other payables	-	824	824	824	-	-
		<b>4,346</b>	<b>5,385</b>	<b>2,060</b>	<b>1,839</b>	<b>1,486</b>

**13. ACCOUNTANTS' REPORT (CONT'D)**

**MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**25. FINANCIAL INSTRUMENTS (CONT'D)**

**25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000	Over 5 Years RM'000
<b>31.12.2022</b>						
<u>Non-derivative Financial</u>						
<u>Liabilities</u>						
Term loans	4.55	1,983	3,128	153	763	2,212
Bankers' acceptances	5.11	2,422	2,422	2,422	-	-
Trade and other payables	-	1,303	1,303	1,303	-	-
		<b>5,708</b>	<b>6,853</b>	<b>3,878</b>	<b>763</b>	<b>2,212</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)****25.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debts, loans and borrowings from financial institutions less cash and bank balances. Capital includes equity attributable to the owners of the Group. The debt-to-equity ratio at the end of the reporting period was as follows:-

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Term loans	654	1,956	2,522	1,983
Bankers' acceptances	-	-	1,000	2,422
	<u>654</u>	<u>1,956</u>	<u>3,522</u>	<u>4,405</u>
Less:-				
Cash and bank balances	(329)	(288)	(6,398)	(8,999)
Fixed deposit with a licensed bank	-	-	-	(500)
Net debt	<u>325</u>	<u>1,668</u>	<u>(2,876)</u>	<u>(5,094)</u>
Total equity	<u>849</u>	<u>4,055</u>	<u>10,787</u>	<u>15,109</u>
Debt-to-equity ratio (times)	<u>0.38</u>	<u>0.41</u>	<u>N/A</u>	<u>N/A</u>

There was no change in the Group's approach to capital management during the financial years.

Note :

N/A – not applicable

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)****25.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Financial assets</b>				
<u>Amortised Cost</u>				
Trade and other receivables (Note 8)	699	7,230	-	2,287
Fixed deposit with a licensed bank (Note 9)	-	-	-	500
Cash and bank balances	329	288	6,398	8,999
	<u>1,028</u>	<u>7,518</u>	<u>6,398</u>	<u>11,786</u>
<b>Financial liabilities</b>				
<u>Amortised Cost</u>				
Trade and other payables (Note 13)	2,456	5,929	824	1,303
Term loans (Note 16)	654	1,956	2,522	1,983
Bankers' acceptances (Note 15)	-	-	1,000	2,422
Amount due to directors (Note 14)	750	756	-	-
	<u>3,860</u>	<u>8,641</u>	<u>4,346</u>	<u>5,708</u>

**25.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS**

	FYE at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
<b>Financial assets</b>				
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	<u>2</u>	<u>(67)</u>	<u>142</u>	<u>(183)</u>
<b>Financial liabilities</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	<u>(23)</u>	<u>(45)</u>	<u>(98)</u>	<u>(166)</u>



**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****25. FINANCIAL INSTRUMENTS (CONT'D)****25.5 FAIR VALUE INFORMATION**

The fair values of the financial assets and financial liabilities of the Group that are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000		
<b>31.12.2019</b>					
<u>Financial Liabilities</u>					
Term loans	-	654	-	654	654
<b>31.12.2020</b>					
<u>Financial Liabilities</u>					
Term loans	-	1,956	-	1,956	1,956
<b>31.12.2021</b>					
<u>Financial Liabilities</u>					
Term loans	-	2,522	-	2,522	2,522
<b>31.12.2022</b>					
<u>Financial Liabilities</u>					
Term loans	-	1,983	-	1,983	1,983

**(a) Fair Value of Financial Instruments not Carried at Fair Value**

The fair values, which are for disclosure purposes, have been determined using the following basis:-

The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rate on or near the reporting date.

**13. ACCOUNTANTS' REPORT (CONT'D)****MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****26. CAPITAL COMMITMENTS**

	As at 31 December			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Purchase of properties	-	-	-	2,664
Acquisition of 80% equity interest in Guangxi Nan Yang	-	-	-	248
Capital contribution on the 80% equity interest in Guangxi Nan Yang	-	-	-	643
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,555</u>

**27. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR**

- (a) On 10 June 2022, the Company entered into a share sale agreement with Lavernt Chen Yun Wo, Lee Wei Kong, Liw Chong Liong, MLCL Construction Sdn. Bhd. and Gentle Rainbow Sdn. Bhd. to acquire the entire equity interest in MBN Enterprise of RM500,000 comprising 500,000 ordinary shares for a total purchase consideration of RM10,800,000, 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. Upon completion of the acquisition, the Company became the holding company of MBN Enterprise.
- (b) On 17 October 2022, the Company subscribed for 100 ordinary shares, representing 100% equity interest in the share capital of MBN International, for a total cash consideration of RM100. Upon completion of the subscription of shares, the Company became the holding company of MBN International.
- (c) On 13 January 2023, the Company obtained conditional approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for its proposed listing on the ACE Market of Bursa Securities.
- (d) On 9 May 2023, the Company has executed an equity transfer agreement with the vendor of Guangxi Nan Yang Birdnest (M) Co., Ltd ("Guangxi Nan Yang") (a company incorporated in the PRC) to acquire 80% equity interest in Guangxi Nan Yang at the purchase consideration of RMB540,000 (equivalent to approximately RM350,000), whereby a refundable deposit of RMB154,000 (equivalent to RM100,000) had been paid to the vendor on 14 July 2022. As stipulated in the equity transfer agreement, the Company shall contribute a sum of RMB1,000,000 (equivalent to approximately RM643,000) into Guangxi Nan Yang as the Company's capital contribution in share capital of Guangxi Nan Yang.

**13. ACCOUNTANTS' REPORT (CONT'D)**

**MYMBN BERHAD**

Registration No: 202201011844 (1457541-U)

**STATEMENT BY DIRECTORS**

We, Lavernt Chen Vun Wo and Chin Chee Cheah, being two of the directors of MYMBN Berhad, state that, in the opinion of the directors, the financial statements set out on pages 5 to 65 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines – Equity issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022 and of their financial performance, and their cash flows for each of the financial years then ended.

Signed in accordance with a resolution of the directors dated 2 June 2023.

On behalf of the Board of Directors,



**Lavernt Chen Vun Wo**



**Chin Chee Cheah**

**14 ADDITIONAL INFORMATION****14.1 EXTRACT OF OUR CONSTITUTION**

The following provisions are extracted from our Constitution which complies with the Listing Requirements, the Act and the Rules of Depository.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined here or the context otherwise requires.

**14.1.1 Remuneration, voting and borrowing powers of Directors****(i) Directors' remuneration**Clause 103 – Remuneration

*"The fees and any benefits payable to the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:-*

*103.1 fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;*

*103.2 salaries payable to executive Directors may not include a commission on or percentage of turnover;*

*103.3 fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and*

*103.4 any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."*

Clause 104.1 - Reimbursement and special remuneration

*104.1 "The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in connection with or about the business of the Company in the course of the performance of their duties as Directors.*

*104.2 "If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged subject to any other provisions of this Constitution."*

Clause 136 – Remuneration of Chief Executive Officer and Executive Director

*"The remuneration of the CEO and/or Executive Directors may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover."*

**14. ADDITIONAL INFORMATION (CONT'D)**

**(ii) Voting and borrowing powers of Directors**

Clause 108 - Directors' borrowing powers

*108.1 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party PROVIDED ALWAYS that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.*

*108.2 The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise.*

*108.3 If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."*

Clause 123 - Declaration of Interest and restriction of voting

*"A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company, shall declare the nature of his interest in accordance with the provisions of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly, a personal interest and if he should do so, his vote should not be counted, but this prohibition shall not apply to:-*

- (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; or*
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security."*

Clause 124 - Directors retained from voting in interested transactions

*"Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company."*

**14. ADDITIONAL INFORMATION (CONT'D)**

**(iii) Changes in share capital, rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**

Clause 7 - Authority of Directors to allot shares

*"Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of this Constitution and the Act and the Central Depositories Act and the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons on such terms and conditions with such (whether in regard to dividend, voting or return of capital) preferred, deferred or other special rights and either at a premium or otherwise, and subject to such restrictions and at such time or times as the Directors may think fit but the Directors in making any issue of shares shall comply with the following conditions:-*

- 7.1 no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members in the general meeting;*
- 7.2 in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution or in the resolution creating the same;*
- 7.3 every issue of shares or options to employees and/or Directors shall be approved by the Members in general meeting and:-*
  - a) Such approval shall specifically detail the amount of shares or options to be issued to such employees and/or Directors; and*
  - b) A Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a share option scheme;*
- 7.4 in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than five per centum (5%) of the issue price;*
- 7.5 the Company must ensure that all new issue of shares for which listing is sought shall be made by way of crediting the Securities Accounts of the allottees or entitled persons in the Depository with such securities save and except where the Company is specifically exempted from doing so. The Company shall notify the Depository of the names of the allottees or the entitled persons together with all such particulars as may be required by the Depository to enable it to make the appropriate entries in the Securities Accounts of such allottees or entitled persons.*
- 7.6 the Company must allot and issue Securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities within such periods as may be prescribed by the Exchange."*

Clause 18 – Alteration of class rights

*"Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of this Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares capital of the class or group, or with the sanction of any Special Resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the*

**14. ADDITIONAL INFORMATION (CONT'D)**

*provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively. To every such special resolution, the provisions of Section 292 of the Act, shall, with such adaptations as are necessary, apply."*

Clause 51 – Increase of share capital

*"The Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution passed at the general meeting increase its share capital, such new capital to be of such amount and to be divided into shares of such rights to or be subject to such conditions or restriction in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs, and if no direction to be given, as the Directors shall determine and in particular, but without prejudice to the rights attached to any preference shares that may have been issued, such new shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a special or restricted or without any right of voting."*

Clause 54 – Alteration of capital

*"54.1 The Company may by special resolution:-*

- (i) consolidate and divide all or any of its share capital the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;*
- (ii) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or*
- (iii) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.*

*54.2 The Company may, subject to the provision of the Act, by Special Resolution reduce its share capital."*

**(iv) Transfer of securities**Clause 42– Transfer of securities

*"The transfer of any Listed Security or class of Listed Security in the Company shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Security."*

**14.2 SHARE CAPITAL**

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus after 6 months from the issuance date of this Prospectus.
- (ii) There are no special rights attached to our Shares. As at the date of this Prospectus, we only have 1 class of shares in our Company, namely ordinary shares, all of which rank equally with one another.

#### **14. ADDITIONAL INFORMATION (CONT'D)**

- (iii) The share capital of our Group as at the LPD and changes in their respective share capital for the FY Under Review and up to the LPD are as set out in Sections 6.4 (*Share Capital*) and 6.5 (*Information on Our Subsidiaries*) of this Prospectus.
- (iv) Save for the new Shares issued pursuant to the Acquisition of MBN Enterprise as disclosed in Section 6.3.1 (*Acquisition of MBN Enterprise*) of this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of our Group have been issued or proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the 3 years preceding the LPD.
- (v) There is no scheme involving our employees in the capital of our Group, except for the Pink Form Allocation.
- (vi) None of the share capital of our Company or any of our Subsidiaries is under option, or agreed conditionally or unconditionally to be put under option, as at the date of this Prospectus.
- (vii) Save for the Issue Shares reserved for application by the Eligible Persons as disclosed in Section 4.3(ii) (*Eligible Persons*) of this Prospectus, currently there is no other scheme involving our Directors and employees in the share capital of our Company or Subsidiaries, as at the date of this Prospectus.
- (viii) As at the date of this Prospectus, our Group does not have any outstanding warrants, options, convertible securities and uncalled capital.

#### **14.3 LIMITATION ON THE RIGHT TO OWN SECURITIES AND/OR EXERCISE VOTING RIGHTS**

There is no limitation on the right to own our Shares including limitation on the right of non-residents or foreign shareholders to hold or exercise voting rights on our Shares imposed by law or by our Constitution.

#### **14.4 GENERAL INFORMATION**

As our Shares are proposed for quotation on the Official List of ACE Market, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, holders of our Shares must deposit their Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, Malaysia and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account/ CDS Account with Bursa Depository by means of entries in the securities account/ CDS Account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

#### **14.5 PUBLIC TAKE-OVERS**

During the FYE 2022 and up to the LPD, there were no:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by our Company in respect of other companies' shares.



**14. ADDITIONAL INFORMATION (CONT'D)****14.6 MATERIAL CONTRACTS**

Save as disclosed below, we have not entered into any material contracts (not being contracts in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

- (i) Sale and purchase agreement dated 1 December 2020 made between Low Soi Chong (as a vendor) and MBN Enterprise (as a purchaser) in respect of the purchase of 1 leasehold unit of 3-storey shop office bearing postal address 25, 25-1 and 25-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka with title details known as PN 15289 Lot No 509, Kawasan Bandar XXXIX, Melaka Tengah, Melaka at the purchase price of RM880,000 by way of cash. The sale and purchase transaction was completed on 19 April 2021;
- (ii) Conditional share sale agreement dated 10 June 2022 made between our Company and MBN Enterprise Vendor in respect of the Acquisition of MBN Enterprise, which was completed on 1 July 2022;
- (iii) Sale and purchase agreement dated 19 August 2022 made between MBN Enterprise (as purchaser) and Koperasi Polis (as vendor) for the acquisition of the New Facility at the purchase price of RM2,960,000 by way of cash of which MBN Enterprise has paid the deposit sum of RM296,000 to Koperasi Polis. The balance purchase price shall be fully settled by MBN Enterprise to Koperasi Polis within 90 days from the unconditioned date of the sale and purchase agreement, subject to an automatic extension of time for a further period of 1 month with a late payment interest of 12% per annum calculated on the daily basis until full settlement of the balance purchase price. On 26 April 2023, we have received the State Consent for the transfer of the New Facility from Koperasi Polis to MBN Enterprise. We expect the acquisition of the New Facility to be completed in the second half of 2023; and
- (iv) Equity Transfer Agreement dated 9 May 2023 made between our Company as purchaser and Zhang Dan as the vendor to acquire 80.00% equity interest in Guangxi Nan Yang at a purchase consideration of RMB540,000 (equivalent to approximately RM0.35 million) which is payable in cash. The acquisition is currently pending completion and targeted to be completed by the 2<sup>nd</sup> half of 2023.
- (v) The Underwriting Agreement dated 6 June 2023 between our Company and Mercury Securities as Sole Underwriter for the underwriting of 37,978,000 Issue Shares for an underwriting commission of up to 2.50% of IPO Price multiplied by the number of Issue Shares underwritten.

**14.7 MATERIAL LITIGATION**

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

**14.8 LETTERS OF CONSENT**

- (a) Our Principal Adviser, Sponsor, Sole Underwriter, Sole Placement Agent, Company Secretaries, Due Diligence Solicitors for our IPO, Internal Control Review Consultant, Share Registrar and Issuing House have given and have not subsequently withdrawn their written consents before the issuance of this Prospectus for the inclusion of their names and all references thereto in the form, manner and context in which they are included in this Prospectus;

## 14. ADDITIONAL INFORMATION (CONT'D)

- (b) Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consent before the issuance of this Prospectus for the inclusion of their name and all references thereto, the Accountants' Report and the Reporting Accountants' Report on the compilation of Pro Forma Statement of Financial Position as at 31 December 2022, in the form, manner and context in which they are included in this Prospectus; and
- (c) Our IMR has given and has not subsequently withdrawn its written consent before the issuance of this Prospectus with the inclusion of its name and all references thereto and the IMR Report in the form, manner and context in which they are included in this Prospectus.

### 14.9 RESPONSIBILITY STATEMENTS

Our Directors and Promoters 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, being the 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.

### 14.10 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our Registered Office at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during the normal office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the IMR Report referred to in Section 8 (*Industry Overview*) of this Prospectus;
- (iii) the Reporting Accountants' Report on the compilation of Pro Forma Statements of Financial Position as at 31 December 2022 as referred to 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;
- (iv) the Accountants' Report as included in Section 13 (*Accountants' Report*) of this Prospectus;
- (v) the material contracts referred to in Section 14.6 (*Material Contracts*) of this Prospectus;
- (vi) the letters of consent referred to in Section 14.8 (*Letters of Consent*) of this Prospectus; and
- (vii) the audited financial statements of MBN Enterprise for the FY Under Review as well as MYMBN and MBN International for financial period ended 31 December 2022.

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

**THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU SHALL NOT RELY ON THIS SUMMARY FOR THE PURPOSES OF ANY APPLICATION FOR OUR ISSUE SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.**

**Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus. Unless the context otherwise requires, words used in the singular include the plural, and vice versa.**

### 15.1 OPENING AND CLOSING OF APPLICATIONS

Applications for our Issue Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 30 JUNE 2023

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 10 JULY 2023

If there is any change to the time or date for the closing of the applications for our Issue Shares, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia. The dates for the ballot of the applications for our Issue Shares, the allotment of our Issue Shares and our Listing would then be extended accordingly.

**Kindly note any late Applications will not be accepted.**

### 15.2 METHODS OF APPLICATIONS

#### 15.2.1 Application for our Issue Shares by the Malaysian Public and the Eligible Persons

<b>Types of Application and category of investors</b>	<b>Application Method</b>
Applications by the Malaysian Public:	
Individuals	White Application Form or Electronic Share Application or Internet Share Application
Non-Individuals	White Application Form only
Applications by the Eligible Persons	Pink Application Form only

The submission of an Application Form does not mean that your Application will succeed.

#### 15.2.2 Application for our Issue Shares via placement

<b>Types of Application</b>	<b>Application Method</b>
Applications by:	
Selected investors	Our Sole Placement Agent will contact the Selected Investors directly. They should follow the Sole Placement Agent's instructions.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)****15.3 ELIGIBILITY****15.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for **each category** from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE SHARES.**

**MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO TEN (10) YEARS UNDER SECTION 182 OF THE CMSA.**

**AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.**

**AN APPLICANT WHO WISHES TO APPLY FOR ISSUE SHARES USING A JOINT BANK ACCOUNT SHOULD COMMUNICATE WITH THE FINANCIAL INSTITUTION IN CHARGE OF APPLICATIONS TO PROVIDE THE MATCHING NAME IN THE JOINT BANK ACCOUNT AGAINST HIS/ HER CDS ACCOUNT TO ISSUING HOUSE. THIS IS TO ENSURE THAT ISSUING HOUSE RECEIVES APPLICATIONS WHERE THE NAME IN THE JOINT BANK ACCOUNT MATCHES AGAINST THE NAME IN THE CDS ACCOUNT AND TO MINIMISE THE INCIDENT OF REJECTED APPLICATION DUE TO "CDS ACCOUNT BELONGS TO OTHER PERSON". OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUE ARISING THEREAFTER.**

**15.3.2 Application by the Malaysian Public**

You can only apply for our Issue Shares if you fulfill all of the following:

- (i) You must be one of the following:
  - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares with a Malaysian address; or
  - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
  - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit Applications by using only one of the following methods:
  - (a) White Application Form;
  - (b) Electronic Share Application; or
  - (c) Internet Share Application.

## **15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**

### **15.3.3 Application by the Eligible Persons**

The Eligible Person will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in those documents and where relevant, of our Prospectus.

The Eligible Person may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, the Issuing House, Mercury Securities, Participating Organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

### **15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS**

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.21 for each Issue Share.

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NO. 629**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

**MALAYSIAN ISSUING HOUSE SDN. BHD.**

*(Company No. 199301003608 (258345-X))*

11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan

**OR**

**P.O. Box 00010**

Pejabat Pos Jalan Sultan  
46700 Petaling Jaya  
Selangor Darul Ehsan

**DELIVER BY HAND AND DEPOSIT** in the Drop-in Boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

and to arrive not later than 5.00 p.m. on 10 July 2023 or by such other time and date specified in any change to the date or time for closing of the application for our Issue Shares.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all of your enquiries in respect of the White Application Form to the Issuing House.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)****15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS**

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Electronic Participating Financial Institutions.

**15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS**

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

**15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE**

The Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
  - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
  - (b) are illegible, incomplete or inaccurate; or
  - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 (*Unsuccessful/ Partially Successful Applicants*) below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)****15.8 OVER / UNDER-SUBSCRIPTION**

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The results of the allocation of Issue shares derived from successful balloting will be made available to the public at the Issuing House's website at [www.mih.com.my](http://www.mih.com.my) within 1 Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of our Listing.

In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned to you in full (without any interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.3.4 (*Clawback and reallocation of Issue Shares*) of this Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

**15.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your Application, your Application monies will be refunded to you (without any interest) in the following manner.

**15.9.1 For applications by way of Application Forms**

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, or provided an incorrect or incomplete CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**

- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by the issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

**15.9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5<sup>th</sup> Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than ten (10) Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from the Issuing House.

**15.10 SUCCESSFUL APPLICANTS**

If you are successful in your Application:

- (i) our Shares allotted to you will be credited to your CDS account.
- (ii) a notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) in accordance with section 14(1) of the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our Issue Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) in accordance with section 29 of the SICDA, all dealings in our Issue Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.



**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)****15.11 ENQUIRIES**

Any enquiries in respect of the Applications may be directed as follows:

<b>Mode of application</b>	<b>Parties to direct the enquiries</b>
Application Form	Issuing House Enquiry Services Telephone at telephone no. +603-7890 4700
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as set out in the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

You may also check the status of your Application by calling your respective ADA at the telephone number as stated in the list of ADAs as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities or the Issuing House at the telephone no. +603-7890 4700 between 5 to 10 Market Days (during office hours only) after the final ballot day.

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