



**MYMBN BERHAD**


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

## **ANNUAL REPORT 2023**

MYMBN BERHAD Registration No. 202201011844 (1457541-U)

ANNUAL REPORT 2023



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# 2023 IPO LISTING CEREMONY

# MDBN<sup>®</sup>

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## CORPORATE PROFILE

### THE PIONEER RUCEBN COMPANY IN MALAYSIA

MBN Enterprise Sdn. Bhd. is a primary processing establishment for Raw UnClean Edible Bird's Nest ("RUCEBN") based in Melaka, our processed RUCEBN are sold either to downstream bird's nest product manufacturers or to traders of bird's nest.

MBN developed our own traceability system from farmers to customers. The system allowed us to trace from our sources and track all our products.

MBN was renamed in 2016 along with the welcoming of the two other founders (Mr. Lee and Mr. Lavernt Chen) as shareholders and directors. The Company took a significant change in its business direction by venturing into the processing of RUCEBN.

All operations of MBN are chiefly managed by Chief Executive Officer (CEO), Mr. Lavernt Chen, one of the three founders. He has over 20 years of experience in the bird's nest industry having been involved in his family's bird's nest farming business in the early years of his career before embarking on his own entrepreneurial journey.

In 2019, after much hard work and effort, MBN achieved its most critical milestone to date by becoming the first company in Malaysia approved by the General Administration of Customs China ("GACC") to export RUCEBN to China.

Following that, MBN exported RUCEBN directly to China instead of selling to traders or agents. By meeting all the regulatory compliance and product quality requirements necessary for such an exporter, MBN's products are deemed premium and thus gaining advantageous position of being able to demand for higher selling prices.



### VISION

To be the No.1 Bird's Nest company in Malaysia with high quality and competitive price



### MISSION

Highest Quality for our customers, Best Value to our suppliers, a Lasting Career for our Employees and a Rewarding Return to our shareholders



## CORPORATE INFORMATION



### BOARD OF DIRECTORS

**LIW CHONG LIONG**

Non-Independent Non-Executive Chairman

**LAVERNT CHEN VUN WO**

Non-Independent Executive Director/ Chief Executive Officer

**CHIN CHEE CHEAH**

Non-Independent Executive Director/ Chief Operating Officer

**LEE WEI KONG**

Non-Independent Non-Executive Director

**DATO' DR. ROSINI BINTI ALIAS**

Independent Non-Executive Director

**DATO' NAZIPAH BINTI JAMALUDIN**

Independent Non-Executive Director

**CHIN PECK LI**

Independent Non-Executive Director

**GOH WEN LING**

Independent Non-Executive Director

#### AUDIT AND RISK MANAGEMENT COMMITTEE

**Chairperson**

**Chin Peck Li**

Independent Non-Executive Director

**Member**

**Dato' Dr. Rosini Binti Alias**

Independent Non-Executive Director

**Dato' Nazipah Binti Jamaludin**

Independent Non-Executive Director

**Goh Wen Ling**

Independent Non-Executive Director

#### REMUNERATION COMMITTEE

**Chairperson**

**Goh Wen Ling**

Independent Non-Executive Director

**Member**

**Dato' Dr. Rosini Binti Alias**

Independent Non-Executive Director

**Dato' Nazipah Binti Jamaludin**

Independent Non-Executive Director

**Chin Peck Li**

Independent Non-Executive Director

#### NOMINATION COMMITTEE

**Chairperson**

**Dato' Dr. Rosini Binti Alias**

Independent Non-Executive Director

**Member**

**Dato' Nazipah Binti Jamaludin**

Independent Non-Executive Director

**Chin Peck Li**

Independent Non-Executive Director

**Goh Wen Ling**

Independent Non-Executive Director

#### COMPANY SECRETARY

**Wong Youn Kim** (MAICSA 7018778)

SSM Practising Certificate No. 201908000410

**Lim Li Heong** (MAICSA 7054716)

SSM Practising Certificate No.: 202008001981

**Wong Mee Kiat** (MAICSA 7058813)

SSM Practising Certificate No.: 202008001958

#### REGISTERED OFFICE

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Tel no.: +(603) 2280 6388

Fax no.: +(603) 2280 6399

E-mail: listcomalaysia@acclime.com

#### HEAD/MANAGEMENT OFFICE

Nos. 17, 19, 21, 23 and 25 Jalan Melaka Raya 26

Taman Melaka Raya

75000 Melaka, Malaysia

Tel No.: +(606) 292 2628

Fax No.: +(606) 292 2628

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Website: www.mymbn.com.my

#### AUDITOR

Crowe Malaysia PLT

Registration No. 201906000005

Firm No. LLP0018817-LCA (AF 1018)

52, Jalan Kota Laksamana 2/15

Taman Kota Laksamana

Seksyen 2

75200 Melaka, Malaysia

Tel No.: +(606) 282 5995

Fax No.: +(606) 283 6449

#### SHARE REGISTRAR

Boardroom Share Registrars

Sdn Bhd Registration No.

199601006647 (378993-D)

11th Floor, Menara Symphony

No.5 Jalan Prof Khoo Kay Kim,

Seksyen 13

46200 Petaling Jaya

Selangor, Malaysia

Tel No.: +(603) 7890 4700

Fax No.: +(603) 7890 4670

#### STOCK EXCHANGE LISTING

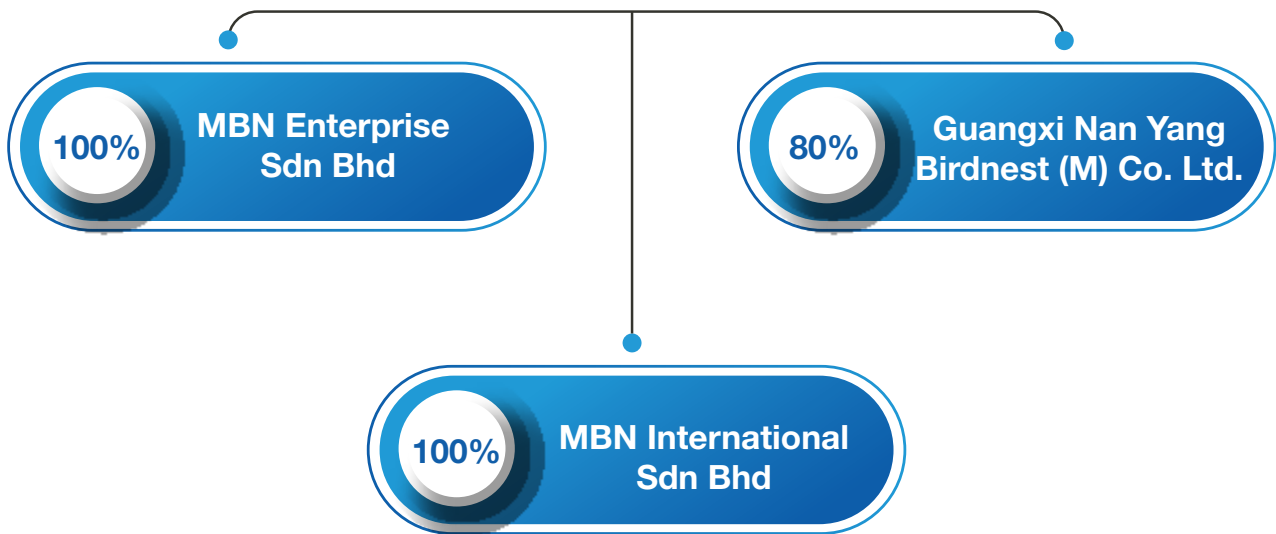
Ace Market of Bursa Malaysia

Securities Berhad

Stock Name: MBN

Stock Code: 0280

# CORPORATE STRUCTURE



## FIVE-YEAR FINANCIAL HIGHLIGHTS

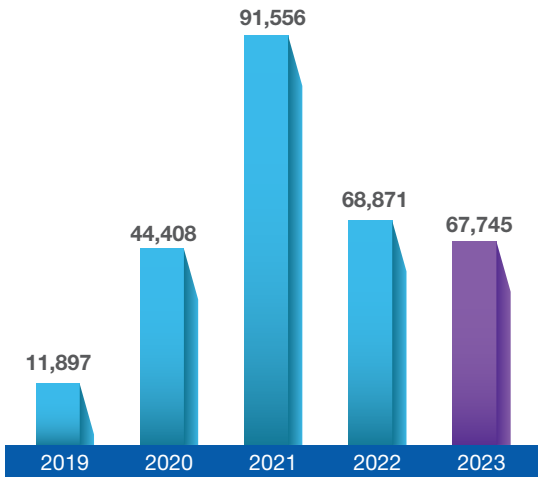
Financial Year Ended 31 December	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
<b>FINANCIAL RESULTS</b>					
Revenue	11,897	44,408	91,556	68,871	67,745
Gross Profit ("GP")	1,122	5,509	10,981	9,924	6,632
Profit Before Taxation ("PBT")	235	4,313	8,955	6,047	1,867
Profit After Taxation ("PAT")	187	3,206	6,732	4,322	952
Net Profit Attributable to Owners of the Company	187	3,206	6,732	4,322	975
<b>KEY FINANCIAL POSITION DATA</b>					
Total Assets	4,725	13,650	16,204	21,224	45,412
Total Borrowings	654	1,956	3,522	4,405	6,633
Total Equity	849	4,055	10,787	15,109	35,864
<b>FINANCIAL RATIOS</b>					
GP Margin (%)	9.43	12.41	11.99	14.41	9.79
PAT Margin (%)	1.57	7.22	7.35	6.28	1.41
Basic Earnings Per Share (sen)	0.06 <sup>(1)</sup>	1.11 <sup>(1)</sup>	2.34 <sup>(1)</sup>	1.50 <sup>(1)</sup>	0.29 <sup>(2)</sup>
Gearing Ratio (times)	0.77	0.48	0.33	0.29	0.18
Net Assets Per Share (sen)	0.29 <sup>(3)</sup>	1.41 <sup>(3)</sup>	3.75 <sup>(3)</sup>	5.25 <sup>(3)</sup>	9.29 <sup>(4)</sup>

### Notes

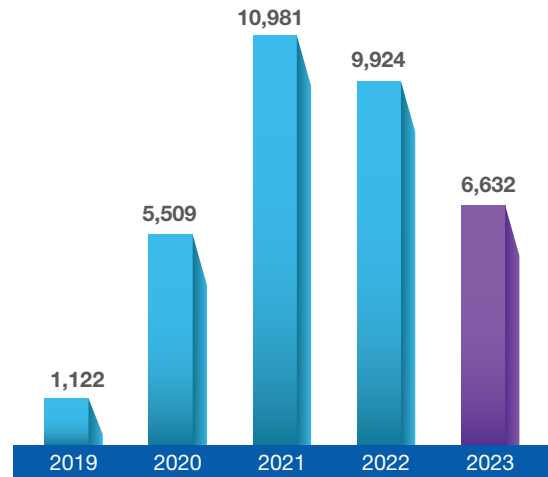
- <sup>(1)</sup> Calculated based on the 288,000,000 ordinary shares assumed to be in issue after the acquisition of subsidiary but before public issue in conjunction with the Company's listing on ACE Market of Bursa Malaysia Securities Berhad ("the Public Issue").
- <sup>(2)</sup> Computed based on the weighted average number of issued share capital of 330,690,411 ordinary shares after the Public Issue.
- <sup>(3)</sup> Calculated based on Total Equity over the 288,000,000 ordinary shares assumed to be in issue after the acquisition of subsidiary but before the public issue.
- <sup>(4)</sup> Calculated based on Total Equity over the weighted average number of issued share capital of 330,690,411 ordinary shares after the Public Issue.

FINANCIAL HIGHLIGHTS  
(CONT'D)

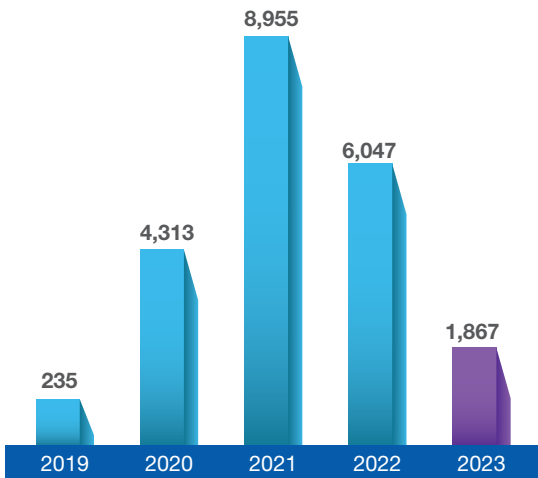
REVENUE (RM'000)



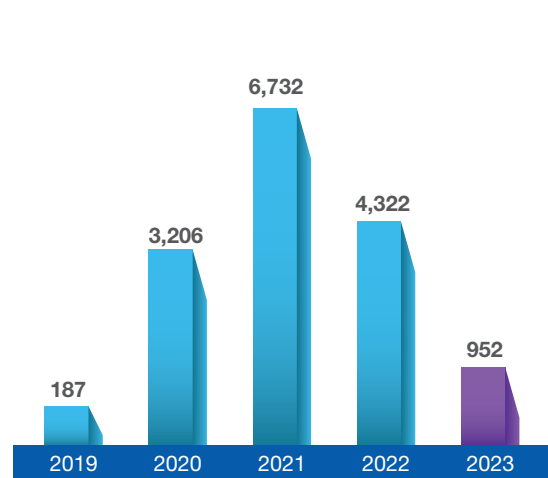
GP (RM'000)



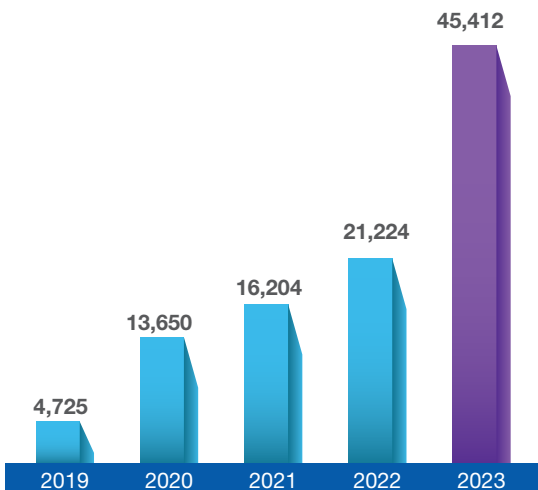
PBT (RM'000)



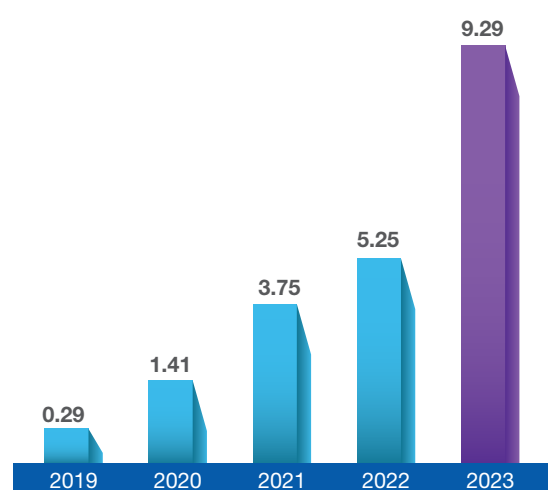
PAT (RM'000)



TOTAL ASSETS (RM'000)



NET ASSETS PER SHARE (SEN)





## PROFILE OF DIRECTORS



### LIW CHONG LIONG

*Non-Independent Non-Executive Chairman*



Liw Chong Liong, a Malaysian male aged 63 is the Non-Independent Non-Executive Chairman of our Company. He was appointed to our Board on 1 July 2022. He is also a director of MBN Enterprise, which is our wholly-owned subsidiary company.

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

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

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

From 1987 to 1990, he worked at Alpine Development Sdn Bhd as project manager and he is responsible to manage construction projects.

From 1990 onward, Liw Chong Liong decided to venture into construction industry by setting up his first partnership company known as Finecon Building Construction which was subsequently ceased operation in 2011. He also started his other partnership company known as L C L Construction in 1994 to undertake the construction work. Such partnership was subsequently terminated in 1999 after he incorporated MLCL Construction Sdn. Bhd. in 1997 with principal activities as general contractors.

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

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

In 2013, Liw Chong Liong saw the opportunity of venturing into exporting of RUCEBN to the PRC directly and thus, MBN Enterprise was used as the vehicle to explore such business.

In year 2015, he together with Lavernt Chen participated as a committee member to draw up the CoVP on RUCEBN established by SIRIM Berhad among others, to provide guidelines on compliance in respect of the edible bird's nest harvested from caves and ranches. The CoVP was adopted in the same year.

In 2021, he was appointed as an honorary President to Melaka Bird's Nest Merchants Association (Persatuan Pedagang Sarang Burung Melaka) where he involved in advising the association on matters relating to the bird's nest industry.

Save for MLCL Construction Sdn. Bhd., Liw Chong Liong does not have any family relationship with any of our Directors and/or major shareholders.

## PROFILE OF DIRECTORS (CONT'D)

### LAVERNT CHEN

*Non-Independent Executive Director / CEO*



Lavernt Chen, a Malaysian male aged 44, is the Non-Independent Executive Director / CEO of our Company. He was appointed to our Board on 1 July 2022. He is also an Executive Director of MBN Enterprise and MBN International, our wholly-owned subsidiary company.

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

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

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

In 2012, he left his family business to focus on his own business involving in trading of bird's nest through CVW Ventures Sdn Bhd, which he was a director and shareholder of the company from 2005 until December 2021. In December 2021, he resigned as the director of CVW Ventures Sdn Bhd and disposed of his entire shareholdings in CVW Ventures Sdn Bhd to a non-related party.

During this period, he gained vast experience in trading of bird's nest in Vietnam, Indonesia, Singapore and Hong Kong.

In 2015, together with Liw Chong Liong, he participated as a project committee member to draw up the CoVP, on RUCBN established by SIRIM Berhad among others, to provide guidelines on compliance in respect of the edible bird's nest harvested from caves and ranches. The CoVP was adopted in the same year.

In December 2016, Lavernt Chen was appointed as director in MBN Enterprise.

In 2017, he (through CVW Ventures Sdn Bhd) together with other Promoters, subscribed MBN Enterprise shares and subsequently took it under his wing to commence the RUCBN trading business in Malaysia.

In same year, together with other Promoters, he set-up a RUCBN processing establishment in accordance with CoVP, to commence RUCBN trading business and export of RUCBN.

Presently, he is the President of Melaka Bird's Nest Merchants Association (Persatuan Pedagang Sarang Burung Melaka), which he holds such position since 2018. He is also the Vice President of Federation of Malaysia Bird's Nest Merchants Association (Persekutuan Persatuan Pedagang Sarang Burung Malaysia) from 2017 to 2018, thereafter he holds the position as the Secretary of the association until June 2022. He was then reelected as the Vice President of the association and holding such position until present.

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

PROFILE OF DIRECTORS  
(CONT'D)**CHIN CHEE CHEAH***Non-Independent Executive Director / COO*

Chin Chee Cheah is our Non-Independent Executive Director / Chief Operating Officer (“**COO**”). She was appointed to our Board on 1 July 2022. She is also an Executive Director of MBN Enterprise and MBN International, our wholly-owned subsidiary company.

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

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

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

In 2005, she left to join Srikota Awana Sdn Bhd, a company involving in the business of maintenance of swiftlet houses and harvesting of bird’s nest as an Account and Administrative Clerk. She was subsequently promoted on 1 October 2010 to hold the position as an Operation Executive where she was tasked with the grading, sales and marketing of RUCBN until 2015.

In 2015, she joined Multiform Food Supply Co. Sdn Bhd, a company principally involved in processing of RCEBN and trading in swiftlet bird’s nests, as an Operation Executive where she oversaw all operational matters including sourcing, processing, quality control, logistics, sales and regulatory compliances and subsequently she resigned in April 2019.

After her break, she joined MBN Enterprise as a Marketing Executive in July 2019.

Subsequently, she was promoted to Operation Manager on 1 September 2019. On 1 May 2022, she was promoted to COO.

She does not have any family relationship with any of our Directors and/or major shareholders.

## PROFILE OF DIRECTORS (CONT'D)

### LEE WEI KONG

*Non-Independent Non-Executive Director*



Lee Wei Kong is the Non-Independent Non-Executive Director of our Company. He was appointed to our Board on 1 July 2022. He is also a director of MBN Enterprise, which is our wholly-owned subsidiary company.

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

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

In 2007, he together with his friends explored in swiftlet farming which he continued until present.

Lee Wei Kong is currently the Vice President of Melaka Bird's Nest Merchants Association (Persatuan Pedagang Sarang Burung Melaka), which he holds since 2015.

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

Lee Wei Kong does not have any family relationship with any of our Directors and/or major shareholders.

PROFILE OF DIRECTORS  
(CONT'D)**DATO' DR. ROSINI  
BINTI ALIAS***Independent Non-Executive Director*

Dato' Dr. Rosini Binti Alias is the Independent Non-Executive Director of our Company. She was appointed to our Board on 7 July 2022. She is also the Chairperson of the Nomination Committee and the member of Audit and Risk Management Committee and Remuneration Committee of the Company.

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

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

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

As a Senior Director in the Livestock Commodity Development Division, she was responsible to oversee the growth of the Bird's Nest Industries where she also advises on issues pertaining to regulations to export RUCBN to the PRC. As a Deputy Director General of DVS, her main task was to ensure, that among others, the Bird's Nest Industries grew and RUCBN became one of the main export of Malaysia, prior to her retirement in 2018.

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

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

She does not have any family relationship with any of our Directors and/or major shareholders.



## PROFILE OF DIRECTORS (CONT'D)

### DATO' NAZIPAH BINTI JAMALUDIN

*Independent Non-Executive Director*



Dato' Nazipah binti Jamaludin is the Independent Non-Executive Director of our Company. She was appointed to our Board on 7 July 2022. She is also the member of Audit and Risk Management Committee, Remuneration Committee and Nomination Committee of the Company.

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

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

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

Subsequently in 1994, she was promoted as a State Director of FAMA Pahang where she hold such position for 10 years. During her tenure as the State Director of FAMA Pahang, she initiated promotion and branding of "Temerloh Bandar Ikan Patin" with Integrated Agricultural Development Project Pahang Barat and Department of Fisheries in Pahang to increase consumption and local demand for fresh water fish as part of marketing and promoting fresh water fish project for Government of Pahang and Ministry of Agriculture.

She also led FAMA Pahang's collaboration with Lembaga Muzium Negeri Pahang in promoting the usage of local fresh produce from farmers via a traditional cookbook project.

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

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

She does not have any family relationship with any of our Directors and/or major shareholders.

PROFILE OF DIRECTORS  
(CONT'D)**CHIN PECK LI***Independent Non-Executive Director*

Chin Peck Li is the Independent Non-Executive Director of our Company. She was appointed to our Board on 7 July 2022. She is also the Chairperson of the Audit and Risk Management Committee and the member of Remuneration Committee and Nomination Committee of the Company. She brings to the Board of her experience in accountancy, financial, tax and governance.

Chin Peck Li is a graduate with a Bachelor of Business (Accountancy) in 1993 from the RMIT. In the same year she became a member of Certified Practising Accountant, Australia ("**CPA Australia**").

She began her career by joining PriceWaterhouse (now known as Pricewaterhouse Coopers) as a Tax Associate in 1993, where she was involved in tax planning, accountancy research and supervision of junior tax assistants until 1996.

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

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

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

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

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

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

Later in 2012 she was appointed as an Independent Non-Executive Director of TPC Plus Berhad and sat as members Audit Committee and Nomination and Remuneration Committee which she subsequently resigned in 2015.

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

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

She currently sits as an Independent Non-Executive Director of VisDynamics Holdings Berhad, a company listed on the ACE Market of Bursa Securities, since 1 June 2022.

She does not have any family relationship with any of our Directors and/or major shareholders.

## PROFILE OF DIRECTORS (CONT'D)

### GOH WEN LING

*Independent Non-Executive Director*



Goh Wen Ling is the Independent Non-Executive Director of our Company. She was appointed to our Board on 7 July 2022. She is also the Chairperson of the Remuneration Committee and the member of Audit and Risk Management Committee and Nomination Committee of the Company.

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

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

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

In October 2004, Goh Wen Ling returned to legal practice and joined Messrs Andrew T.S. Goh & Khairil as a junior partner where she is now the Head of Conveyancing, Corporate and Banking department until present. She is appointed as an Independent Non-Executive Director of Leong Hup International Berhad, a company listed on the Main Market of Bursa Securities on 1 August 2018. She sits as a Chairperson of the Remuneration Committee and a member of the Audit and Risk Committee of Leong Hup International Berhad.

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

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

She does not have any family relationship with any of our Directors, major shareholders and/or key senior management.

## PROFILE OF KEY SENIOR MANAGEMENT

### WANG HEONG YING

*Financial Controller*



40

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

In 2006, she graduated from Multimedia University in Bachelor of Accounting (Hons). She is a member of Association of Chartered Certified Accountants since October 2012 and Chartered Accountant of the Malaysian Institute of Accountant since July 2013. In 2007, Wang Heong Ying began her career as an Associate in the Assurance Services Department in Ernst & Young. In 2008, she was promoted as a Senior Associate. During her tenure in Ernst & Young, she gained experience in conducting and leading fieldworks for audit engagement for international and local private and public listed companies. In February 2010, she left Ernst & Young as a Senior Associate and took a break before she joined Perfect Food Manufacturing (M) Sdn Bhd in June 2010 as an accountant where she was responsible for financial reporting and product costing by reporting to the senior finance manager of Perfect Food Manufacturing (M) Sdn Bhd.

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

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

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

### KIEW PEI FANG

*Head of Production*



36

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

In 2005, Kiew Pei Fang obtained her Sijil Pelajaran Malaysia qualification and completed her secondary school at Sekolah Menengah Kebangsaan Tun Haji Abdul Malek (Melaka). In September 2006, she began her career as a course instructor in a kindergarten school and continued to be a teacher for a period of 9 years until November 2015. In December 2015, she decided to join CVW Ventures as an operation executive to explore the bird's nest industry. During her tenure with CVW Ventures, she was involved in the process of sourcing, sorting, grading and packing of the RUCBN, as well as dealing with the customers.

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

### Notes to Directors' and Key Senior Managements' Profile

#### 1. Family Relationships

Save for Liw Chong Liong and Lavernt Chen, none of the Directors and Key Senior Management have any family relationship with any Director and/or major shareholder of the Company.

#### 2. Conflict of Interest

None of the Directors and Key Senior Management have any personal interest/ conflict of interest/ potential conflict of interest, including interest in any competent business with the Company and the subsidiaries.

#### 3. Conviction of Offences

None of the Directors and Key Senior Management have been convicted for offences within the past five (5) years other than traffic offences or any public sanction or penalty imposed on him/ her by the relevant regulatory bodies during the financial year ended 31 December 2023.

#### 4. Attendance at Board Meetings

The details of attendance of the Directors at the Board Meeting are set out on page 38 of this Annual Report.

#### 5. Directors' shareholdings

The details of the Directors' interest in the securities of the Company are set out in the Analysis of Shareholdings on page 116 of this Annual Report.

#### 6. Directorships in Public Companies and Listed Issuers

Save for Dato' Dr. Rosini Binti Alias, Chin Peck Li and Goh Wen Ling, none of the Directors and Key Senior Management hold any other directorship of public companies and listed issuers.



# CHAIRMAN'S STATEMENT

## Dear Valued Shareholders,

On behalf of the Board of Directors ("**Board**"), I am delighted to present to you the Annual Report and Audited Financial Statements of MYMBN Berhad ("**MYMBN**" or "**Group**") for the financial year ended 31 December 2023 ("**FY2023**"). This year has been a landmark period in our journey, marked by significant achievements and milestones as we made our debut on the ACE Market of Bursa Malaysia Securities Berhad ("**ACE Market**") in July 2023. We are excited about the next phase of growth for MYMBN as the listing put us on an accelerated growth trajectory.

Liw Chong Liong  
Non-Independent  
Non-Executive Chairman



## CHAIRMAN'S STATEMENT (CONT'D)

As a newly public-listed entity and the pioneer of Raw Unclean Edible Bird's Nest ("RUCEBN"), we aim to be the leading bird's nest company in Malaysia with high quality and competitive pricing.

### ECONOMIC OVERVIEW

In FY2023, Malaysia's economy, where MYMBN is headquartered, exhibited signs of post-pandemic recovery, characterized by sustained growth. This resurgence was buoyed by robust domestic consumption and an uptick in industrial activities. However, the pace of growth was expected to be moderate due to a range of headwinds. These included the impacts of a high base year effect and a slowdown in export growth. A significant global economic challenge in 2023 was the persistently high inflation, which eroded margins for numerous businesses. Additionally, escalating geopolitical tensions in the Middle East raised concerns due to their potential impact on oil prices.

Meanwhile, in China, a vital market for MYMBN, the post-COVID-19 economic rebound has been slower than expected. This is partly due to struggles in the real estate sector, where high debts among developers have dampened consumer confidence and slowed housing sales. However, other areas of China's economy, such as the service industry and consumer retail, have shown growth and recovery signs in 2023, indicating a gradual return to pre-pandemic activities.

### BUSINESS OVERVIEW

In the face of a global macroeconomic environment marked by multiple challenges, MYMBN has demonstrated remarkable resilience. Our first year as a listed company was highlighted by sustained profitability, underscoring the robustness of our business model and strategic foresight. Despite global economic headwinds such as rising inflation, geopolitical tensions, and a slower-than-anticipated economic recovery in China, MYMBN achieved a commendable profit after tax of RM0.95 million in FY2023. This financial performance is primarily attributed to the enduring demand for bird's nest products in China, deeply embedded in cultural and traditional values within the Chinese community, which has maintained a resilient market demand even in tumultuous times.

The cultural and traditional importance of bird's nest products in the Chinese community is a fundamental factor underpinning our business's resilience. This intrinsic value attributed to our products has been a linchpin in sustaining demand through economic downturns. Recognizing our strength, we have also taken proactive measures to strengthen our business fundamentals for accelerated growth in the long-term throughout FY2023. A significant milestone in July 2023 was the successful acquisition of an 80% equity interest in Guangxi Nan Yang Birdnest (M) Co Ltd. This strategic move signified a substantial expansion of our product range. By venturing into the processing and sale of Raw Clean Edible Bird's Nest ("RCEBN"), we have not only diversified our offerings beyond refined RUCEBN but also unlocked new avenues for revenue generation. This acquisition is key in diversifying our offerings and reinforcing our market position.

Aside from diversifying our products, our expansion into Vietnam marks a pivotal moment in our regional expansion strategy. This foray into the Vietnamese market is driven by the goal of tapping into the country's rising middle-income group and the cultural affinity for bird's nest products. While global macroeconomic uncertainties remain a challenge, the prospects in Vietnam are promising. This expansion is a strategic move to reduce our reliance on a single market, positioning us for sustainable, long-term growth.

As MYMBN ardently pursues growth and expansion, we simultaneously place a strong emphasis on fortifying our balance sheet to bolster the resilience of our business. Our advantageous net cash position serves as a robust buffer in the face of the fluctuating interest rate environment, safeguarding our financial stability. This prudent financial posture empowers us to pursue strategic growth opportunities with agility and confidence, unencumbered by the strains of financial limitations. This approach is particularly vital given the escalating interest rates we have witnessed in the past one to two years. Our strategic financial management thus ensures that we are well-equipped to navigate these economic fluctuations while steadfastly advancing our growth objectives.

CHAIRMAN'S STATEMENT  
(CONT'D)

## FUTURE OUTLOOK

Looking ahead, there is a cautious optimism that China's economy will pick up in 2024. Following a somewhat uneven recovery in the previous year, China is poised for a more stable and progressive growth trajectory. This positive outlook is driven by a combination of factors, including a gradual resurgence in domestic demand and the anticipated roll-out of further stimulus measures. The ongoing recovery trend, the continuous deepening of reforms, and the considerable leeway in policy measures underpin this optimism.

The positive trajectory of China's economic recovery holds promising implications for MYMBN, given that China is our primary market. This burgeoning economic environment aligns well with our strategic objectives. Furthermore, we are invigorated by our expansion into Vietnam and our recent foray into processing and selling RCEBN in China. These developments not only diversify our business model but also introduce new revenue streams. We anticipate these initiatives will begin contributing significantly to our financial performance in FY2024. Buoyed by these expansions and the favorable economic climate, we remain confident in our ability to continuously create and deliver value to our stakeholders in the coming periods.

## ACKNOWLEDGEMENTS

The milestones reached by MYMBN this year are a testament to the unwavering dedication and effort of our exceptional team. I am immensely grateful to each team member for their relentless passion and commitment. Their hard work and steadfast dedication stand as the foundation of our success.

I would also like to extend my heartfelt thanks to our clients and partners. Your confidence, support, and insightful contributions have been crucial in our growth. With the steadfast backing of our stakeholders and the collective endeavour of our team, I am optimistic about MYMBN's future as a leader in our industry, delivering enduring value to all those connected with us.

Thank you for entrusting your faith and belief in MYMBN.

**Liw Chong Liong**  
Non-Independent Non-Executive Chairman



# MANAGEMENT DISCUSSION & ANALYSIS

"Our Group's milestone achievement of being listed on the ACE Market of Bursa Malaysia Securities Berhad ("**ACE Market**") in July 2023 marks a defining moment in MYMBN Berhad ("**MYMBN**" or "**Group**")'s mission to become a leader in the edible bird's nest industry. We are buoyed by the growing demand for high-quality bird nest, as individuals increasingly prioritize their health and wellness in today's society. This shift reinforces our confidence in the sustained growth and expansion of our services.

Against this promising backdrop, I am honored, on behalf of the Board of Directors, to present the inaugural Management Discussion and Analysis ("**MD&A**") for MYMBN for the financial year ended 31 December 2023 ("**FY2023**"). This MD&A provides an in-depth look at MYMBN's operational and financial performance over the past year and offers insights into our future growth prospects and strategic plans for the forthcoming financial year."

## BUSINESS OVERVIEW

### Business Model

MYMBN is primarily engaged in the processing and sale of Edible Bird's Nest ("**EBN**"), focusing specifically on Raw Uncleaned Edible Bird's Nest ("**RUCEBN**"). EBNs are the nests of swiftlets, composed of their saliva strands. In the Chinese community, bird's nest is highly valued for its perceived health and medicinal benefits and is used in various culinary and medicinal preparations, including savoury soups, desserts, food and beverages, and even skincare products.

The processing of MYMBN's products is conducted in-house at the group's facility in Taman Melaka Raya, Melaka, Malaysia. The operations are backed by a comprehensive suite of certifications, ensuring adherence to the highest standards of quality and manufacturing practices recognized by regulatory bodies. MYMBN sources its raw birds' nests exclusively from a list of approved suppliers in Malaysia, comprising farmers, traders, and agents. These suppliers are evaluated on criteria like swiftlet house registration, product quality, and consistency of supply.

### Geographical Presence

The primary market for MYMBN's RUCEBN products is China, supplemented by domestic sales in Malaysia and Vietnam. China is the world's largest consumer of EBN, heavily reliant on imports due to unsuitable domestic farming conditions.



MANAGEMENT DISCUSSION & ANALYSIS  
(CONT'D)

## BUSINESS OVERVIEW (CONT'D)

## Challenges and Risks

In navigating the dynamic and competitive landscape of the edible bird's nest industry, MYMBN faces several challenges and risks that could impact our operations and growth trajectory. Here are some of the major obstacles and potential risks that are crucial for strategic planning and risk management as we continue to strive for market leadership and operational excellence.

- Market Dependency and Concentration Risk:** Despite MYMBN's strong market presence in China, this high dependency poses a significant risk. Any economic downturn, regulatory changes, or shifts in consumer preferences in the Chinese market could substantially impact MYMBN's revenue streams. Moreover, geopolitical tensions or trade restrictions could also disrupt market access, emphasising the need for market diversification. In order to mitigate this risk, MYMBN will explore and penetrate other markets to reduce reliance on the Chinese market.
- Supply Chain Vulnerabilities:** MYMBN relies on a network of approved suppliers for the raw uncleaned edible bird's nests (RUCEBN). Challenges such as fluctuations in supply due to environmental factors affecting swiftlet populations, changes in regulatory standards, or disruptions from political instability could pose risks. Additionally, any compromise in the quality of raw materials can affect product standards and company reputation. This risk could be managed through a multi-source supply chain strategy that ensure steady supply and quality control in its raw materials.
- Regulatory and Compliance Risks:** As a player in the food industry, particularly in a niche and highly regulated sector like edible bird's nests, MYMBN is subject to strict regulatory requirements across different markets. Changes in health and safety standards, import-export regulations, or new certifications could impose additional operational costs and compliance burdens. Failing to meet these standards could lead to fines, restrictions, or a loss of crucial certifications like the HALAL certificate or the Good Manufacturing Practice (GMP) Certificate. In order to manage this risk, MYMBN regularly update compliance protocols and engage in proactive dialogue with regulatory bodies to stay ahead of changing regulations.
- Economic and Currency Fluctuations:** Being significantly reliant on exports, MYMBN is vulnerable to exchange rate volatility and economic conditions in its primary markets. Economic slowdowns, particularly in China and Vietnam, or adverse currency movements could negatively impact profitability and overall financial performance. Going forward, MYMBN will explore financial hedging strategies to buffer against foreign exchange volatility.

In conclusion, while MYMBN faces inherent challenges and risks in its pursuit of growth within the edible bird's nest industry, the management is actively implementing measures to mitigate these concerns. By diversifying market dependencies, strengthening supply chains, adhering to strict compliance measures, and safeguarding against economic shifts, MYMBN is positioning itself to maintain its resilience and secure its future success.

## Competitive Strengths

MYMBN's vision to cement its position as an industry leader within the global EBN sector is backed by its competitive strengths:

- Expert Leadership and Management:** MYMBN benefits from a leadership team with deep expertise in the EBN industry. This expertise is critical for navigating the complex and specialized market of bird's nests, ensuring that the company remains at the forefront of industry developments and innovations.
- Strict Quality Control and Assurance:** The Group's commitment to stringent quality control and adherence to established operating protocols and regulatory standards demonstrates a strong emphasis on product quality. This commitment is further reinforced by securing key certifications such as the Veterinary Health Mark ("VHM") Certificate from the Department of Veterinary Services ("DVS"), the Good Manufacturing Practice ("GMP") Certificate, and the Malaysian Food Safety and Quality System ("MeSTI") certificate from the Ministry of Health ("MOH"). These certifications serve as indicators of the company's dedication to maintaining high standards.



## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### BUSINESS OVERVIEW (CONT'D)

#### Competitive Strengths (Cont'd)

3. **Sustainable and Ethical Sourcing:** MYMBN's focus on sourcing raw bird's nests from approved suppliers who meet specific criteria, including swiftlet house registration and Malaysian Good Agricultural Practice ("myGAP") certification, highlights the Group's commitment to sustainability and ethical practices. This approach not only ensures the safety and sustainability of the products but also contributes to a high barrier of entry for competitors due to the stringent sourcing requirements.
4. **Strategic Supplier Network:** The extensive network of suppliers across Malaysia, including farmers, traders, and agents, ensures a consistent and ample supply of raw materials. This network is a vital component of MYMBN's operations, supporting its ability to meet demand without significant disruptions.
5. **Market Penetration and International Approval:** Gaining approval from the General Administration of Customs of China ("GACC") to export RUCEBN to China in 2019 and becoming the first Malaysian company to do so has established MYMBN as a pioneer in the Chinese market. This achievement not only enhances the Group's reputation but also opens up significant opportunities in the world's largest consumer market for edible bird's nests, creating a competitive edge.
6. **Strong Customer Relationships in Key Markets:** The Group's ability to foster robust relationships and establish a dependable reputation among customers in the Chinese market is a testament to its strength in international business dealings. This positions MYMBN as a preferred supplier in the People's Republic of China, contributing to long-term business sustainability and growth.

### FINANCIAL PERFORMANCE ANALYSIS

MYMBN demonstrated remarkable resilience and adaptability to navigate through a challenging macroeconomic environment in FY2023, marked by an economic slowdown, inflationary pressures, and rising interest rates.

Malaysia's economy grew at a slower pace than expected in 2023 as Gross Domestic Product ("GDP") expanded by 3.7%, below the official forecast of 4% to 5%. It was also slower than the 8.7% growth reported in the previous year. The deceleration was mainly attributed to weaker exports despite strong household spending and investment activities supporting the economy. Similarly, the economic recovery in China is slower than anticipated despite maintaining a positive growth trajectory in 2023.

Despite these external challenges, MYMBN successfully upheld its profitability, reporting a net profit of RM0.95 million for FY2023. This reflects the Group's resilience and its leadership position in the RUCEBN market to sustain demand for its products. The Group reported a revenue of RM67.74 million in FY2023, predominantly driven by sales in China, which contributed approximately RM59.31 million, accounting for 87.56% of the total revenue. This was complemented by notable contribution from the Vietnamese market, which added RM5.91 million (8.72%), and a modest revenue stream from the Malaysian market, accounting for RM2.52 million (3.72%).

The sustained demand for MYMBN's products can be largely attributed to the stringent market entry barriers, particularly concerning the approvals required for exporting to China. It is noteworthy that Malaysia is among the few countries in the Association of Southeast Asian Nations ("ASEAN") that have been granted the privilege to export both RUCEBN and RCEBN to China. Furthermore, MYMBN distinguishes itself as one of the few suppliers authorised to export RUCEBN to the Chinese market, underscoring its esteemed position in this niche industry. The financial outcomes for MYMBN in FY2023 underscore the company's capability to sustain profitability amidst a challenging economic landscape.

Beyond its commendable financial performance, MYMBN has also maintained a robust balance sheet. The Group's strong net cash position, amounting to RM16.3 million, is a critical factor in its ability to weather the rising interest rate environment. This financial fortitude is further bolstered by a healthy liquidity status, with the Group's current ratio standing at an impressive 5.5 times. This ratio not only reflects the Group's adeptness in managing its short-term liabilities with its current assets but also indicates a strong foundation for future growth and investment.

MANAGEMENT DISCUSSION & ANALYSIS  
(CONT'D)

## OPERATION OVERVIEW

In a year fraught with economic challenges, including rising inflation and a volatile interest rate environment, MYMBN's operations demonstrated not only resilience but also remarkable agility. Amid these macroeconomic headwinds, MYMBN's management undertook strategic initiatives to ensure the Group's steady growth and profitability.

During this period of rising inflation, MYMBN faced increased costs and potential disruptions in supply chains. The Group's management responded proactively, implementing cost-control measures and optimising operational efficiencies. These efforts were crucial in mitigating the impact of inflation on the company's bottom line. Additionally, MYMBN's strategic sourcing of raw materials from a diverse network of suppliers ensured a steady supply despite global logistic challenges.

The rising interest rate environment posed another significant challenge, potentially impacting borrowing costs and capital expenditure. MYMBN's robust financial planning and strong balance sheet, characterised by a healthy net cash position, provided a solid buffer against these financial pressures. This prudent financial management enabled the Group to navigate the turbulent interest rate landscape without compromising its growth initiatives.

Furthermore, MYMBN's management team, with its deep industry expertise and strategic foresight, played a pivotal role in steering the company through these uncertain times. They focused on diversifying the company's revenue streams, expanding into new markets like Vietnam, and enhancing product offerings, such as the acquisition of Guangxi Nan Yang Birdnest (M) Co., Ltd ("**Guangxi Nan Yang**"). These moves not only opened new avenues for growth but also reduced the company's reliance on any single market, thereby reducing its concentration risk. The acquisition of Guangxi Nan Yang strengthens the Group's position and expand its portfolio in the bird's nest industry.

The Group's listing on the Bursa ACE Market was another strategic move underlining the management's commitment to growth and transparency. This strategic financial move has been pivotal in supporting the Group's various operational expansion, diversification and growth initiatives. The overwhelming response from investors, with the share offer being oversubscribed by 30.77 times, reflected the market's confidence in MYMBN's strategic direction and its ability to navigate economic challenges.

## PROSPECTS AND FUTURE OUTLOOK

Looking ahead, MYMBN's strategic trajectory is further enhanced by the recent acquisition of an 80% equity interest in Guangxi Nan Yang, completed on 28 July 2023. This acquisition marks a significant milestone in MYMBN's journey, enabling the Group to extend its foray into the processing and sale of RCEBN. This venture is not just an expansion but a natural extension of MYMBN's existing product line of RUCBN, paving the way for an additional stream of revenue.

The integration of RCEBN into MYMBN's product offerings is expected to begin in the first half of 2024, signaling the start of a new chapter in the company's manufacturing and sales operations. This expansion is strategically aligned with MYMBN's ongoing efforts to diversify its product range and tap into new market segments, reinforcing its position as a leader in the edible bird's nest industry.

The Group also looks ahead and is planning to diversify into new product categories, particularly focusing on ready-to-drink and ready-to-eat bird's nest products. This expansion represents an innovative step in broadening the company's consumer appeal and tapping into evolving market trends. Moreover, these new offerings are certified Halal, meeting stringent standards for quality and compliance with dietary laws, which will significantly broaden the company's appeal, particularly among health-conscious consumers who follow Halal dietary guidelines. The introduction of ready-to-drink and ready-to-eat bird's nest products is a response to the growing consumer demand for convenience and quality. These products cater to a segment of consumers seeking health benefits from traditional remedies like bird's nest but in more accessible and easy-to-consume formats. By venturing into these product lines, MYMBN can attract a wider customer base, including younger consumers and busy professionals who value convenience without compromising on quality.

Simultaneously, MYMBN's venture into the Vietnamese market allows the Group to diversify the company's market base and reduce its dependency on the Chinese market. Following the venture into the Vietnam market in April 2023, the Group has reported progressive contributions from Vietnam with a revenue of about RM5.91 million.

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### PROSPECTS AND FUTURE OUTLOOK (CONT'D)

Furthermore, MYMBN's commitment to maintaining high standards in its operations continues to be a cornerstone of its business strategy. The company's adherence to rigorous quality control measures, as evidenced by its certifications, such as the HALAL certificate, positions it favourably in both domestic and international markets. These certifications not only affirm the quality and safety of MYMBN's products but also enhance the company's appeal to a broader consumer base that is sensitive to quality and ethical standards.

With strategic expansion plans, commitment to quality, financial resilience and innovative approach to market and product development, MYMBN is positioned for continued growth and success in the dynamic edible bird's nest industry. This blend of prudent financial management and strategic agility underpins a cautiously optimistic outlook for the Group's near-term growth prospects. As MYMBN navigates the complexities of the market, its commitment to excellence and adaptability remains key to sustaining its trajectory of success in this evolving industry.

### ACKNOWLEDGEMENTS

At this juncture, I would like to express my profound appreciation to the dedicated management team and Board of Directors at MYMBN. Their relentless dedication and tireless efforts have been the cornerstone of our Group's remarkable achievements. I also extend my sincerest gratitude to our shareholders and clients, whose unwavering trust and enduring support have been fundamental in navigating the myriad challenges and successes we've encountered over the past year.

Reflecting on the significant operational milestones achieved by MYMBN in FY2023, it is evident that this year has been a pivotal one, marked by strategic growth and diversification. The debut on the ACE Market and successful expansion into new markets, particularly our foray into the processing and sale of RCEBN, alongside the enhancement of our product offerings, are significant strides in reinforcing our market presence. These initiatives, coupled with vital acquisitions such as Guangxi Nan Yang, and the cultivation of strategic alliances, have not only solidified our position in the industry but have also established a robust foundation for ongoing growth and success. These efforts reflect our steadfast commitment to innovation, excellence, and customer satisfaction in the rapidly evolving edible bird's nest sector.

Furthermore, I extend my congratulations to everyone involved in the successful listing on the Bursa ACE Market and the execution of various growth initiatives that have defined this year. These accomplishments are a clear indication of our shared vision and collective ambition to excel, firmly positioning MYMBN as a leader in its field.

# SUSTAINABILITY STATEMENT

In our debut year as a public-listed company, **MYMBN Berhad** (“**MYMBN**” or “**Group**”) is pleased to present our Sustainability Statement (“**Statement**”) for the financial year ended 31 December 2023 (“**FY2023**”), highlighting our initial steps towards the integration of Environmental, Social and Governance (“**ESG**”) principles into the core of our operations. Acknowledging the profound synergy between socio-economic factors and environmental stewardship within our operations, our commitment is to deliver lasting value to all stakeholders involved.

Our guiding principles - Mindfulness, Yield, Management, Balance, Nurturance - stand at the heart of our strategic approach, steering our actions and lighting our path towards sustainable development. This statement highlights MYMBN's thoughtful and gradual achievements in sustainability for FY2023.

In line with our vision to be the no. 1 Bird’s Nest company in Malaysia with high quality and competitive prices, we believe that sustainability will be a key pillar in our growth journey. We look forward to enhancing the transparency and comprehensiveness of our sustainability efforts in forthcoming reports.

Although this statement offers a glimpse into our commitment and accomplishments over the past year, our ongoing efforts to improve the calibre of our disclosures ensure that our stakeholders are consistently engaged and well-informed.

## Reporting Standards

Our Sustainability Statement is meticulously prepared in accordance with:

- Global Reporting Initiatives (“GRI”) standards
- The Sustainability Reporting Guide issued by Bursa Malaysia
- The United Nations Sustainability Development Goals (“UN SDGs”)
- MYMBN's Sustainability Framework

This framework, bolstered by our sustainability governance, provides a structured approach to overseeing our policies and procedures. This sustainability framework and governance will outline a clear roadmap that leads to our sustainability objectives.

## Report Scope and Boundary

This Sustainability Statement for MYMBN covers the FY2023 with a focus on the economic, environmental, and social pillars that underpin our operations. We highlight the initiatives and areas we consider critical, drawing from our robust internal reporting mechanisms, systems, and recorded documentation. Moving forward, MYMBN is committed to improving, enhancing and expanding its sustainability reporting. Our goal is to further integrate our sustainability philosophy, practices, and culture across our broader network, including business partners, suppliers, and contractors. A key component of our strategic vision is to feature the ESG accomplishments of our value chain partners in future reports.

## Our Sustainability Approach

### Sustainability Governance



## SUSTAINABILITY STATEMENT (CONT'D)

### Our Sustainability Approach (Cont'd)

#### Sustainability Governance (Cont'd)

Governance stands as the cornerstone of our sustainability strategy. MYMBN conducts its business with the highest ethical standards, faithfully complying with all pertinent laws and regulations. This upholds our commitment to accountability and social responsibility. Our governance practices reflect our dedication to identifying, evaluating, and managing risks and opportunities within the ESG frameworks, which is vital for fostering sustainable growth and value creation.

The Board of Directors ("the Board") of MYMBN has established a governance structure that is specifically tailored to the Group's unique culture, operational demands, and level of maturity in its sustainability knowledge and preparedness. This structure empowers the Board and Management to effectively manage and track the progress of significant sustainability issues and their related risks and opportunities.

We have put into effect a Sustainability Policy, which integrates sustainability tenets into our daily operations. This policy is designed to not only augment shareholder value but also to mitigate impacts on stakeholders, natural resources, the community, and the environment. Our policy is in line with our sustainable development aspirations and is under the vigilant oversight of Senior Management, who address sustainability challenges and keep the Board informed of our performance and stakeholder feedback.

With the Board's guidance, sustainable business practices are embedded throughout the organisation. Authority has been delegated to Management to ensure the implementation of sustainability strategies and the realisation of our sustainability goals. The Management team, under the leadership of the Chief Executive Officer and inclusive of Executive Directors and senior managers, takes charge of identifying and managing ESG risks and opportunities. They are also responsible for engaging stakeholders and conducting materiality assessments to address all significant sustainability concerns.

Furthermore, Management is responsible for the preparation of sustainability reports for the Board's evaluation and endorsement, in line with regulatory requirements. This process guarantees that our sustainability reporting is both transparent and compliant.

In summary, MYMBN is resolutely focused on enhancing its sustainability initiatives, promoting awareness, and exerting a positive influence on the community, economy, and environment. We are confident that through our concerted efforts, we can achieve a harmonious balance between sustainable development and the creation of value for all stakeholders.

#### Sustainability Development Framework

Our Sustainability Development Framework encapsulates our commitment to sustainability as we embark on our new growth journey as a listed entity on Bursa Malaysia.

**Vision:** To be the leading producer of high-quality bird's nest products in Malaysia, recognized for our commitment to sustainability in every aspect of our business.

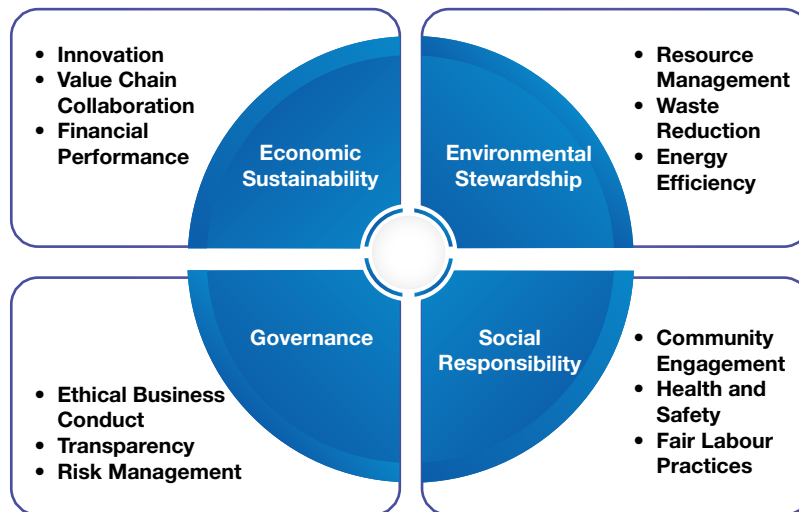
**Mission:** To deliver the highest quality products to our customers, offer the best value to our suppliers, provide a rewarding and sustainable career for our employees, and ensure a profitable return for our shareholders, all while maintaining a firm commitment to environmental stewardship and social responsibility.



SUSTAINABILITY STATEMENT  
(CONT'D)

Our Sustainability Approach (Cont'd)

Sustainability Development Framework



1. **Economic Sustainability:**

- Innovation: To innovate and improve our products, processes, and services continually.
- Value Chain Collaboration: Work collaboratively with suppliers and partners to enhance the sustainability of the entire value chain.
- Financial Performance: Focus on achieving strong financial performance as the foundation for sustainable growth and stakeholder returns.

2. **Environmental Stewardship:**

- Resource Management: Develop and implement efficient use of natural resources, focusing on sustainable practices within our Group's operations.
- Waste Reduction: Strive for minimal waste production through innovative recycling and upcycling initiatives.
- Energy Efficiency: Invest in energy-efficient technologies and processes to reduce our carbon footprint.

3. **Social Responsibility:**

- Community Engagement: Engage with local communities to ensure that our business operations contribute positively to their wellbeing.
- Health and Safety: Provide a safe and healthy working environment for all employees, with regular training and awareness programs.
- Fair Labor Practices: Adhere to fair labor practices, ensuring that all employees are treated with respect and provided with fair wages and opportunities for advancement.

4. **Governance:**

- Ethical Business Conduct: Maintain high ethical standards in all business dealings and ensure compliance with all relevant laws and regulations.
- Transparency: Uphold transparency in our operations and communications with stakeholders.
- Risk Management: Identify, assess, and manage potential risks related to ESG factors, ensuring the resilience and longevity of our business.

## SUSTAINABILITY STATEMENT (CONT'D)

### Our Sustainability Approach (Cont'd)

#### Alignment with UN SDGs:

MYMBN supports national and global sustainable development efforts by harmonizing our business practices with the UN SDGs. For FY2023, we have embraced the following UN SDGs relevant to our industry.

#### Goal 3 – Good Health and Well-being

Through the provision of high-quality, nutritious products, we contribute to the health and well-being of individuals, supporting healthier lifestyles and wellness.

#### Goal 5 – Gender Equality

We advocate for gender equality and empower women and girls by ensuring equal opportunities for leadership, employment, and growth within our organisation.

#### Goal 7 – Affordable and Clean Energy

Investing in renewable energy and enhancing energy efficiency across our operations, we support the transition towards affordable, reliable, and clean energy solutions.

#### Goal 11 – Sustainable Cities and Communities

Our community engagement programs and sustainable development projects aim to improve urban living conditions, promoting inclusive, safe, resilient, and sustainable cities and communities.

#### Goal 12 – Responsible Consumption and Production

Our operations prioritize sustainable harvesting and ethical sourcing to minimize environmental impacts, championing responsible consumption and production throughout our business model.

#### Goal 13 – Climate Action

We are committed to reducing our carbon footprint through energy-efficient processes, sustainable resource management, and initiatives aimed at combating climate change.

#### Goal 16 – Peace, Justice, and Strong Institutions

Our commitment to ethical business practices, transparency, and accountability underpins our support for peaceful societies, justice for all, and the development of strong, inclusive institutions.

#### Goal 17 – Partnerships for the Goals

Recognizing the power of collaboration, we engage in partnerships across sectors to achieve the Sustainable Development Goals, leveraging collective action for broader impact.

In aligning with these goals, MYMBN demonstrates its dedication to integrating sustainable practices across all facets of our business, contributing positively to the broader goals of the UN SDGs and ensuring a healthier planet for future generations.

SUSTAINABILITY STATEMENT  
(CONT'D)**Implementation**

To actualize the sustainability practices outlined in our framework, MYMBN has established a robust implementation strategy. Central to this is the formation of a dedicated Sustainability Committee, tasked with steering the company's sustainability agenda and ensuring that the framework's objectives are integrated into our corporate ethos and operations.

We are deeply committed to fostering a culture of sustainability within our workforce; therefore, we have instituted comprehensive training programs to educate and engage our employees. This empowers every team member to understand and embrace their role in achieving our sustainability targets.

Furthermore, we uphold a practice of transparency and accountability through the provision of regular reports. These reports are disseminated to our stakeholders, offering insights into our advancements, initiatives undertaken, and any obstacles encountered. This structured approach ensures that our sustainability practices are not only proclaimed but also actively pursued and achieved.

- **Sustainability Committee:** The Sustainability Committee, currently comprising the management team, is at the forefront of driving the implementation of MYMBN's sustainability framework.
- **Employee Training and Engagement:** Educate and engage employees at all levels to ensure they understand their role in achieving our sustainability goals.
- **Regular Reporting:** Provide regular sustainability reports to stakeholders, detailing our progress and any challenges faced.

**Continuous Improvement:**

- **Stakeholder Feedback:** Actively seek and incorporate feedback from stakeholders to improve our sustainability practices.
- **Benchmarking and Best Practices:** Benchmark against industry best practices to ensure continuous improvement in our sustainability performance.

MYMBN's commitment to sustainability is an integral part of our business strategy. Through this framework, we aim to create a balanced approach that respects the environment, values social contribution, maintains governance integrity, and achieves economic prosperity.

**Stakeholder Engagement**

As part of the Group's initiatives to continue to improve our sustainability practices, we have taken proactive measures to engage with our stakeholders. At MYMBN, we recognize the indispensable role that our stakeholders play in realizing our objectives and maintaining our commitment to sustainable business practices, especially within the unique context of the bird's nest industry.

Engaging with our stakeholders is a critical aspect of our sustainability framework, helping us to pinpoint and address the most pressing sustainability challenges and opportunities. During the FY2023, we have actively engaged with stakeholders through a variety of channels, both formal and informal. These interactions are pivotal in shaping our sustainability endeavours, enhancing mutual understanding, and driving joint efforts towards common sustainability goals.

These regular interactions underline the Group's dedication to transparency and the cultivation of strong relationships with our stakeholders, which is incredibly vital in our field where product integrity, environmental impact, and cultural sensitivity are of paramount importance. Through ongoing dialogue with our stakeholders, we seek to collect insightful feedback, resolve any concerns, and collectively advance towards sustainability objectives that benefit all parties.

Below is a table outlining the stakeholder engagement activities undertaken by MYMBN, the focus areas identified through these engagements, and the actions taken in response to stakeholder interests and concerns. This approach ensures that stakeholder feedback is integral to the development of our sustainability strategies, thereby significantly contributing to the continuous improvement of our initiatives and our pledge to excellence within the bird's nest industry.

## SUSTAINABILITY STATEMENT (CONT'D)

### Stakeholder Engagement (Cont'd)

Stakeholder Group	Focus Areas	Engagement Channels	Frequency
<b>Customers</b>	Product quality, nutritional value, sourcing transparency	Surveys, feedback forms, customer service interactions	After purchase, and semi-annual surveys
<b>Employees</b>	Career growth, workplace safety, company culture	Performance reviews, safety training, team meetings	Monthly meetings, annual reviews
<b>Suppliers</b>	Sustainable sourcing, fair trade, product traceability	Supplier evaluations, partnership discussions, audits	Annual evaluations, regular meetings
<b>Regulatory Bodies</b>	Food safety standards, export regulations, quality control	Compliance reports, regulatory meetings, industry forums	As required by law, minimum annually
<b>Community</b>	Environmental impact, social contribution, cultural sensitivity	Community outreach programs, educational workshops, sustainability reports	Bi-annual community events, ongoing initiatives
<b>Investors</b>	Financial health, governance practices, growth strategies	Annual General Meetings (AGMs), investor newsletters, financial disclosures	Annual AGM, quarterly updates
<b>Industry Associations</b>	Market trends, innovation in sustainability, collective impact	Conferences, collaborative projects, association meetings	Annual conferences, project-based meetings

This table serves as a guide for MYMBN to ensure that our stakeholder engagement is structured, responsive, and aligned with our sustainability commitments.

### Sustainability Performance, Targets and Initiatives

Here is a detailed sustainability performance table for MYMBN, breaking down the performance across the specific areas of focus within the four pillars of Economic Sustainability, Environmental Stewardship, Social Responsibility, and Governance:

Sustainability Pillar	Focus Area	Performance	Targets	Initiatives	Linked UN SDG
Economic Sustainability	Innovation	Advanced product innovation achieved	Enhance product quality and efficiency	Innovative product development	Goal 9 – Industry, Innovation, and Infrastructure
	Value Chain Collaboration	Strengthened value chain sustainability	Improve sustainability practices among suppliers	Sustainable supplier selection; Collaborative sustainability projects	Goal 12 – Responsible Consumption and Production
	Financial Performance	Consistent financial growth	Increase profitability and market share	Market expansion; Diversification strategies	Goal 8 – Decent Work and Economic Growth

SUSTAINABILITY STATEMENT  
(CONT'D)

Sustainability Performance, Targets and Initiatives (Cont'd)

Sustainability Pillar	Focus Area	Performance	Targets	Initiatives	Linked UN SDG
Environmental Stewardship	Resource Management	Effective resource use and conservation	Reduce resource consumption	Resource efficiency programs	Goal 12 – Responsible Consumption and Production
	Waste Reduction	Significant waste reduction achieved	Minimize waste generation	Recycling and upcycling initiatives; Waste management policies	Goal 13 – Climate Action
	Energy Efficiency	Improved energy efficiency	Lower energy consumption and carbon footprint	Energy-efficient technologies; Process optimization	Goal 7 – Affordable and Clean Energy
Social Responsibility	Community Engagement	Positive impact on local communities	Enhance community well-being and support	Community health programs; Educational outreach	Goal 11 – Sustainable Cities and Communities
	Health and Safety	High standards of workplace health and safety	Ensure a safe and healthy work environment	Health and safety training; Regular safety audits	Goal 3 – Good Health and Well-being
	Fair Labor Practices	Strong adherence to fair labor practices	Promote fairness and equality in the workplace	Fair compensation policies; Career advancement opportunities	Goal 5 – Gender Equality
Governance	Ethical Business Conduct	High level of ethical integrity maintained	Zero tolerance for unethical behavior	Ethics training programs; Compliance monitoring	Goal 16 – Peace, Justice, and Strong Institutions
	Transparency	Enhanced transparency with stakeholders	Improve stakeholder communication and reporting	Regular sustainability reporting; Stakeholder engagement sessions	Goal 17 – Partnerships for the Goals
	Risk Management	Effective ESG risk management	Identify and mitigate ESG-related risks	Risk assessment processes; Mitigation strategies	Goal 13 – Climate Action

This table provides a comprehensive view of MYMBN's sustainability performance, showcasing the company's commitment to each area within the pillars of sustainability and illustrating how these efforts align with the UN SDGs.



## SUSTAINABILITY STATEMENT (CONT'D)

### Economic Sustainability

#### 1) Innovation

MYMBN has been at the forefront of innovation within the bird's nest market, focusing on enhancing product quality and efficiency to maintain its industry leadership. This commitment to innovation not only drives our position at the forefront of the industry but also aligns with our dedication to sustainability by ensuring that our products meet the highest standards of environmental and social responsibility.

Recently, the Group has been exploring opportunities to diversify and expand into ready-to-drink and ready-to-eat bird's nest products. This strategic move aims to cater to evolving consumer preferences for convenience without compromising on the nutritional values and sustainability practices that are at the core of our business philosophy. By integrating innovative approaches with our sustainability objectives, we are setting a new standard for product development in the bird's nest market, ensuring that our expansion into new product lines continues to reflect our commitment to quality, efficiency, and sustainability.

The initiative is aligned with Goal 9 – Industry, Innovation, and Infrastructure.

#### 2) Value Chain Collaboration

A primary objective for MYMBN has been to bolster the resilience and sustainability of our value chain. In light of the significance of ethical sourcing and production, we have proactively sought to diversify our supplier base, ensuring a robust supply chain that minimizes disruptions. This strategy involves carefully selecting a variety of suppliers across Malaysia who are aligned with our commitment to sustainability, though substantial initiatives in this area are still in the planning stages.

While the direct enhancement of sustainability practices among our suppliers is an ongoing process, our immediate focus has been on mitigating risks associated with supply chain vulnerabilities. This approach is critical given the high costs associated with raw materials. By broadening our supplier network, we aim to create a more stable and resilient supply chain that can adapt to market changes and challenges.

Though concrete actions toward embedding sustainability in our supply chain are yet to be implemented, the intention to do so remains a key part of our strategy. Our efforts to diversify sourcing are an initial step towards minimizing environmental impact and promoting responsible consumption and production, in line with Goal 12 – Responsible Consumption and Production of the UN SDGs.

#### 3) Financial Performance

MYMBN's business model exemplifies resilience, grounded in strategic product diversification and market expansion, including ventures into untapped regions like Vietnam. This model, fortified by a commitment to innovation, sustainability, and ethical sourcing, ensures MYMBN's adaptability to economic shifts. Our unique positioning, with exclusive rights to export to lucrative markets such as China, establishes a stable revenue base, enhancing our competitive edge. These strategic pillars underpin MYMBN's ability to maintain financial stability and growth, making our business model not just resilient but poised for long-term success amidst industry challenges. This deliberate strategy not only strengthens our financial foundation but also embodies our commitment to supporting Goal 8 – Decent Work and Economic Growth.

Our efforts are a testament to our commitment to driving economic development and generating more employment opportunities within our sector. As part of our strategic efforts to diversify our market reach, MYMBN has successfully expanded into the Vietnamese market, a move that has been pivotal in our broader expansion plans. Recognising Vietnam's growing consumer interest in health and wellness products, we identified this vibrant market as a prime opportunity for introducing our premium bird's nest products. Our successful venture into Vietnam stands as a testament to our commitment to meet the rising demand for quality health products and has been a crucial step in establishing our position as a leading force in the bird's nest industry across Southeast Asia. This expansion not only underscores our market diversification strategy but also solidifies our presence in a key region, furthering our ambition to dominate the market and cater to the health and wellness needs of more consumers.

SUSTAINABILITY STATEMENT  
(CONT'D)**Environmental Stewardship****1) Resource Management**

At MYMBN, we have actively developed and put into practice a series of strategies aimed at optimizing resource utilization and conservation, with a particular emphasis on implementing sustainable farming practices for bird's nest harvesting. This initiative is a cornerstone of our commitment to environmental stewardship and aligns perfectly with Goal 12 – Responsible Consumption and Production.

We develop sustainable practices that ensure our operations are both efficient and mindful of environmental impacts. By focusing on the efficient use of resources, we contribute to the preservation of our planet's natural wealth and promote a balance between economic success and environmental responsibility. Additionally, our efforts extend to minimizing waste and reducing the environmental footprint of our operations, thereby promoting a more sustainable and responsible production cycle.

Through these comprehensive resource management and conservation initiatives, MYMBN is leading by example in the industry, demonstrating that it is possible to achieve economic success while simultaneously respecting and protecting our planet's natural resources. Our dedication to sustainable practices underscores our broader vision of fostering a more sustainable future, not just for our company but for the communities and environments in which we operate.

The Group also developed a proprietary traceability system. This advanced system enables the tracking of the product's journey from source to customer, ensuring transparency and accountability at every stage of the supply chain. This traceability is vital for resource management as it provides insights into the efficiency and sustainability of operations, allowing for continual improvement and adherence to sustainability goals.

**2) Waste Reduction**

MYMBN has intensified efforts to minimize waste generation across its operations, focusing specifically on the processing and distribution of high-quality edible bird's nests. Central to these efforts are innovative recycling and upcycling initiatives, complemented by comprehensive waste management policies, all of which contribute significantly to Goal 13 – Climate Action. These initiatives are designed not only to reduce the environmental footprint of MYMBN's activities but also to promote a culture of sustainability within the industry.

Through its subsidiary, MBN Enterprise Sdn. Bhd. ("**MBN Enterprise**"), located in Melaka, MYMBN processes Raw Unclean Edible Bird's Nest ("**RUCEBN**") with an emphasis on efficiency and minimal waste. The adoption of advanced processing techniques ensures that every aspect of RUCEBN is utilized to its fullest potential, reducing waste at the source. Furthermore, MYMBN is able to leverage on its advanced traceability system to monitor and optimize its resource use and waste generation throughout the supply chain, from the initial processing stages to the final delivery to traders and downstream processors.

**3) Energy Efficiency**

MYMBN has placed a strong emphasis on environmental stewardship, particularly in its pursuit to decrease energy usage and lessen its carbon footprint. This commitment is realized through the strategic implementation of energy-efficient technologies and the continuous optimization of our processing operations. Such initiatives are in harmony with Goal 7 – Affordable and Clean Energy, reflecting our dedication to contributing to a more sustainable and energy-efficient future. From the utilization of low-energy processing equipment to the adoption of renewable energy sources where feasible, every effort is made to reduce our operational energy consumption.

## SUSTAINABILITY STATEMENT (CONT'D)

### Social Responsibility

#### 1) Community Engagement

MYMBN has consistently prioritized the well-being of the local communities surrounding our operations, actively engaging in various initiatives designed to make a positive impact on their lives. Our commitment to fostering sustainable cities and communities, in alignment with Goal 11 - Sustainable Cities and Communities, is reflected through our comprehensive community engagement programs. We have launched several community health programs aimed at improving public health outcomes, providing access to nutritional education, and raising awareness about the health benefits of edible bird's nests. These programs are tailored to meet the specific health needs of the communities we serve, ensuring that our efforts are both relevant and impactful.

In addition to health initiatives, MYMBN places a strong emphasis on educational outreach. We collaborate with local schools and educational institutions to deliver programs that enrich the students' learning experience. These programs often focus on environmental stewardship, sustainability practices, and the science behind bird's nest production, aiming to instill a sense of responsibility and curiosity among the younger generation. Through these initiatives, MYMBN not only contributes to the immediate health and educational needs of the communities but also fosters a long-term vision for sustainable development. By investing in the well-being of our local communities, we are laying the groundwork for more resilient and sustainable cities and communities, reinforcing our commitment to making a lasting and positive difference.

#### 2) Health and Safety

At MYMBN, the safety and well-being of our employees stand at the forefront of our operational priorities. We understand that the foundation of a successful and sustainable business lies in the health and safety of our workforce. Therefore, we have instituted a comprehensive health and safety program that encompasses regular training sessions, rigorous safety audits, and continuous monitoring and improvement of workplace conditions. This program is designed to ensure that all employees are well-versed in best safety practices and are equipped to handle their duties in the safest manner possible, directly contributing to Goal 3 – Good Health and Well-being.

Our approach includes the adoption of industry-leading safety standards and practices, tailored to address the unique challenges of our operations. From handling raw materials to processing and packaging, every step is scrutinized for potential health hazards, with preventive measures and safety protocols meticulously implemented. Furthermore, MYMBN actively fosters a culture of safety awareness among employees. Through regular workshops and safety drills, employees are not only educated about potential workplace hazards but are also encouraged to be proactive participants in identifying and mitigating risks. This culture of safety empowers our employees, making them responsible stewards of their own and their colleagues' well-being.



*Blood Donation*



*Bubur Lambuk Rumah Maligai*



*Sambutan Hari Raya PPDK - 8 June 2023*

SUSTAINABILITY STATEMENT  
(CONT'D)**Social Responsibility (Cont'd)****2) Health and Safety (Cont'd)**

To complement our internal efforts, MYMBN also conducts external safety audits conducted by independent health and safety experts. These audits provide an objective assessment of our practices, offering valuable insights that help us continuously refine and enhance our health and safety protocols. In essence, the Group's robust health and safety program is a testament to our unwavering commitment to ensuring a safe and healthy work environment. By prioritizing the well-being of our employees, we not only adhere to global standards for workplace safety but also contribute to the overall sustainability of the edible bird's nest industry. This commitment underscores our dedication to nurturing a healthy, productive, and motivated workforce, capable of driving our company towards greater success and sustainability.

**3) Fair Labour Practices**

MYMBN upholds fair labour practices, promoting fairness and equality in the workplace through fair compensation policies and career advancement opportunities, in line with Goal 5 – Gender Equality. Understanding the vital role that fair treatment and equal opportunities play in building a motivated and loyal workforce, the Group has established clear guidelines and practices to ensure equality. We rigorously monitor our compensation structures to prevent any disparities and to ensure that all employees, regardless of gender, ethnicity, or background, are rewarded fairly for their contributions.

Moreover, MYMBN is dedicated to creating pathways for professional growth and development for all employees. We recognize the importance of diversity in driving innovation and success within the edible bird's nest industry. To that end, our career advancement programs are designed to be accessible and beneficial to everyone, providing the necessary training, mentorship, and support to enable our employees to reach their full potential. These programs not only equip our team with the skills needed to excel in their current roles but also prepare them for future leadership positions within the company.

**Governance****1. Ethical Business Conduct**

At MYMBN, ethical integrity forms the cornerstone of our corporate ethos. We uphold a stringent zero-tolerance policy against any form of unethical behavior, which is rigorously enforced across all levels of our organisation. This commitment is further reinforced through comprehensive ethics training programs designed to educate our employees about our ethical standards and the importance of maintaining them in their daily operations. Additionally, we conduct regular compliance monitoring to ensure adherence to these standards, effectively embedding ethical considerations into our decision-making processes. This unwavering dedication to ethical business conduct is in direct alignment with Goal 16 – Peace, Justice, and Strong Institutions, reflecting our commitment to fostering a culture of integrity and accountability within the industry and beyond.

**2. Transparency**

MYMBN has prioritized enhancing transparency in all its dealings, recognizing its critical role in building trust and fostering strong relationships with stakeholders. Our approach includes the introduction of the sustainability statement that provide detailed insights into our ESG practices and performance. Additionally, we actively engage with our stakeholders through sessions designed to facilitate open dialogue and feedback, ensuring that our business practices are both responsive and responsible. These initiatives support Goal 17 – Partnerships for the Goals, highlighting our belief in the power of collaboration and open communication in achieving sustainable development objectives.

**3. Risk Management**

Recognizing the potential impacts of ESG risks on our operations, MYMBN has implemented robust ESG risk management practices. These practices encompass detailed risk assessment processes that enable us to proactively identify potential ESG-related risks. Following identification, we develop and deploy targeted mitigation strategies tailored to address these risks effectively. Our proactive approach to ESG risk management not only safeguards our operations against potential threats but also contributes significantly to our environmental stewardship efforts, in line with Goal 13 – Climate Action. This strategic focus on risk management underscores our commitment to operational excellence and sustainable growth, ensuring that the Group remains resilient in the face of changing environmental and social landscapes.

## SUSTAINABILITY STATEMENT (CONT'D)

### MYMBN's Sustainable Journey Forward

In FY2023, we are at a pivotal juncture in our commitment to embedding ESG principles into the heart of our operations. This year marks a significant milestone as we endeavour to define clear ESG targets that will guide our journey toward sustainable and responsible business practices. The establishment of these targets is not merely about setting benchmarks but is a reflection of our deep-seated commitment to contributing positively to sustainable development on a global scale.

Having gathered initial ESG performance data, MYMBN now possesses a more defined understanding of where we stand and the specific areas that necessitate focused improvements. This insight is invaluable as it lays the foundation for a more structured approach to addressing ESG concerns, allowing us to prioritize efforts where they are most needed.

The year ahead is critical for MYMBN as we aim to solidify our ESG goals and further integrate sustainable practices into every facet of our business. By achieving this, we aspire not only to elevate our operational performance but also to bolster our standing as a leader in social responsibility and environmental stewardship within our industry.

In summary, FY2023 is a year of significant opportunity for MYMBN. It is a time for us to build upon our initial efforts, sharpen our focus on sustainability, and embed these principles more deeply into our corporate DNA. In doing so, we will continue to enhance our contribution to sustainable development, ensuring that MYMBN remains at the forefront of the industry as a paragon of responsibility, integrity, and environmental consciousness.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) recognises the importance of adopting the Principles and Recommendations as set out in the Malaysian Code on Corporate Governance (“**MCCG**”), 4th Edition of Corporate Governance Guide issued by Bursa Malaysia Securities Berhad (“**Bursa Securities**”), and the ACE Market Listing Requirements (“**AMLR**”) of Bursa Securities and is fully committed in ensuring that the highest standards of corporate governance is observed and practised throughout the organisation to build sustainable business growth, safeguard the interest of shareholders, enhance shareholders’ value and protect stakeholders’ interest.

In the attainment of this purpose, the Board is pleased to outline how the Principles of the MCCG have been applied in MYMBN Berhad and its subsidiaries (“**the Group**”) during the financial year and the extent of compliance with the Recommendations of the MCCG and clear and meaningful disclosure on why certain practices were not applied and how the alternative practices achieve the intended outcome.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

The Group acknowledges the vital role played by the Board in the stewardship of the direction and business operations of the Group and ultimately the enhancement of long-term shareholders’ value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals, consideration of significant financial matters, review of the financial and operating performance of the Group and undertaking of major investments and capital expenditures.

### I. Board Responsibilities

MYMBN Berhad (“**the Company**”) has an experienced Board that is primarily responsible for charting and reviewing the strategic direction of the Group and delegates the implementation of these directions to the management. The Board also ensures the implementation of appropriate risk management and internal control systems, including financial, operational and compliance to safeguard the shareholders’ interest and the Group’s assets. The Board has adopted certain responsibilities for effective discharge of its functions through formalising its Board Charter (available at the Company’s website: [www.mymbn.com.my](http://www.mymbn.com.my)) which, inter alia, sets a list of specific functions that are reserved for the Board and Chairman; and the authorisation limit which defines relevant matters and applicable limits reserved for Chairman and Executive Directors that are further cascaded to senior management team within the Company.

The Board have established Board Committees namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, which are entrusted with specific oversight responsibilities for MYMBN Group’s affairs. The Board Committees are granted the authorities to act on each Board’s behalf in accordance with their respective Terms of Reference (“**TOR**”) and to report to the Board with the necessary recommendation. The TOR of the Board Committees are available at the Company’s website. Further, as part of the Boards’ responsibilities in ensuring compliance by the Company and the Group with the AMLR, the Companies Act 2016 and rules of other relevant authorities.

The Group aims to ensure a balance of power and authority between the Chairman and Executive Directors with a clear division of responsibility between the running of the Board and the Company’s business respectively. The Group also emphasises and practices a division of responsibility between the Executive and Non-Executive Directors. The distinct and separate roles of the Chairman and Executive Directors, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board, acts as facilitator at the meetings and ensure that Board proceedings is in compliance with good conduct and best practices. Whilst the Executive Directors are responsible for making and implementing operational and corporate decision as well as developing, coordinating and implementing business and corporate strategies. The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

All Directors have unrestricted access to all information pertaining to the Group's business and affair and has full access to management, Company Secretary and the External Auditors for information needed to carry out their duties and responsibilities. This is to enable them to carry out their duties effectively and diligently. As and when necessary, the Board may obtain independent professional advice, in furtherance of their duties, at the Company's expenses.

The Board had adopted the Anti-Bribery and Corruption Policy, Whistleblowing Policy, Sustainability Policy and Fit & Proper Policy which are available on the Company's website.

#### II. Board Composition

As at the date of this report, the Board comprises eight (8) Directors i.e. one (1) Non-Independent Non-Executive Chairman, four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Executive Directors. This is in compliance with the AMLR which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgment.

The Board acknowledges the call by the Government and MCCG for Boards to comprise at least 30% women on board. The Company currently have five (5) women Directors to the Board, which represent 62.5% of the total number of board members.

The Board is satisfied that its current size and composition is adequate to provide for a diversity of views, to facilitate effective decision making and to reflect an appropriate balance of Executive and Non-Executive Directors for the scope and nature of the Group's business and operations.

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the AMLR. The Board met on three (3) occasions during the financial year ended 31 December 2023 and the details of attendance at Board Meetings is set out below: -

Name of Directors	Attendance	Percentage of attendance (%)
Liw Chong Liong	3/3	100%
Lavernt Chen Vun Wo	3/3	100%
Chin Chee Cheah	3/3	100%
Lee Wei Kong	3/3	100%
Dato' Dr. Rosini Binti Alias	3/3	100%
Dato' Nazipah Binti Jamaludin	3/3	100%
Chin Peck Li	3/3	100%
Goh Wen Ling	3/3	100%

MYMBN Berhad is listed on the ACE Market of Bursa Securities on 25 July 2023.

Prior to each meeting, a reasonable notice of meetings and agenda were circulated to all Directors together with the draft minutes of the previous meeting together with the respective reports/papers and other board meeting reference materials such as management reports and financial reports to be discussed were furnished to the Directors at least seven (7) days prior to the Board meeting via e-mail so that each Director had ample time to review the papers to enable informed decision making. The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

All Directors are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge. The Directors are aware that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards.

Training programmes and seminars attended by the Directors of the Company during the financial year ended 31 December 2023 are as follows: -

Name of Directors Training Programmes/ Seminars/ Workshops/ Conferences Attended

Name of Directors	Training Programmes/ Seminars/ Workshops/ Conferences Attended
Liw Chong Liong	<ul style="list-style-type: none"> <li>• 2023 Cambodia Bird's Nest Business Forum</li> </ul>
Lavernt Chen Vun Wo	<ul style="list-style-type: none"> <li>• 2023 Bird's Nest Industry Annual Conference</li> <li>• Mandatory Accreditation Programme (MAP)</li> <li>• GMP Implementation &amp; Internal Audit Training</li> <li>• 2023 Cambodia Bird's Nest Business Forum</li> </ul>
Chin Chee Cheah	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme (MAP)</li> <li>• Program Pemantapan Pemahaman Sistem Kepastian Kualiti Bersama Pengusaha Walet dan Latihan Sistem Blockchain Mywalet BIL.4/23</li> <li>• GMP Implementation &amp; Internal Audit Training</li> </ul>
Lee Wei Kong	<ul style="list-style-type: none"> <li>• 2023 Cambodia Bird's Nest Business Forum</li> </ul>
Dato' Dr. Rosini Binti Alias	<ul style="list-style-type: none"> <li>• Resilient Agriculture: Value chain collaboration for a climate-smart food system</li> <li>• Harnessing Innovation and Technology for Business Sustainability and Resilience</li> <li>• Education Reimagined</li> <li>• Refresher Induction Session for Non - RFC Directors</li> <li>• Sustainability Workshop</li> <li>• Strategy Workshop</li> </ul>
Dato' Nazipah Binti Jamaludin	-
Chin Peck Li	<ul style="list-style-type: none"> <li>• Key Provisions and Requirements under Companies Act, 2016</li> <li>• Taxation of Employment Income</li> <li>• Seminar Percukaian Kebangsaan</li> <li>• Companies Act 2016: A Company's Constitution</li> <li>• Pre &amp; Post IPO Rules</li> <li>• SSM National Conference 2023</li> <li>• Budget Seminar</li> </ul>
Goh Wen Ling	<ul style="list-style-type: none"> <li>• Sustainability Awareness</li> <li>• BDO Tax Seminar on Budget 2024</li> <li>• Audit Oversight Board Conversation with Audit Committees</li> <li>• PWC Tax Seminar on Budget 2024</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

##### Company Secretary

The Board is supported by the qualified secretaries who are the members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and are qualified to act as Company Secretaries under the Companies Act, 2016. As the practicing Company Secretaries, they have also attended continuous professional development programmes as required by MAICSA and Companies Commission of Malaysia.

They are also responsible for ensuring that the Company’s Constitution, procedures, policies and regulations are complied with. Also ensuring that, all obligations required by the regulatory and under the AMLR are fulfilled in a timely manner. The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties as required. The Board is satisfied with the service and support rendered by the Company Secretaries in discharging their functions.

##### Nomination Committee

The Board has established a Nomination Committee (“NC”) to assist the Board in their responsibilities in nominating new candidates to the Board and to assess the performance of the Board, the Board Committees and the Directors of the Company on an on-going basis. Full details of the NC duties and responsibilities are stated in its TOR which is available on the Company’s website.

The NC current comprises exclusively Independent Non-Executive Directors as follows: -

1. Dato’ Dr. Rosini Binti Alias (Chairperson)
2. Dato’ Nazipah Binti Jamaludin
3. Chin Peck Li
4. Goh Wen Ling

The NC is responsible for the Board evaluation process covering the Board, the Board Committees and individual Director. The NC, upon conclusion of the evaluation exercise performed for the year 2023, was satisfied that the composition of the Board and its Board Committees possess the right blend of knowledge, expertise and experience and the appropriate mix of skills. In addition, there was mutual respect amongst individual Director which contributed to a healthy environment for constructive deliberation and decision-making process.

The Company’s Constitution provides that one third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- the Director’s contributions to the Board and ability to continue to contribute productively;
- the Director’s attendance at Board and committee meetings;
- the Director’s compliance with the Code;
- whether the Director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for Board service; and
- the independence of the Director.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

##### Nomination Committee (Cont'd)

The Company was only listed on the ACE Market of Bursa Securities on 25 July 2023, hence, the NC has not conduct any board evaluation assessment in the financial year ended 31 December 2023.

The Board recognises the significance of board evaluation and performance pertaining to board effectiveness. The Board is committed to ensure that the board assessment an evaluation forms are circulated to all Board members and NC members prior to the NC Meeting for the financial year ending 31 December 2024.

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### III. Directors' Remuneration

The Remuneration Committee (“RC”) comprises of four (4) Members, all of whom are Independent Non-Executive Directors. The members of the RC are as follows: -

1. Goh Wen Ling (Chairperson)
2. Dato' Dr. Rosini Binti Alias
3. Dato' Nazipah Binti Jamaludin
4. Chin Peck Li

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the company is in. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Director and performance of the Group. Individual Director do not participate in the discussion and decision making of his own remuneration to avoid conflict of interest.

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the skill function, workload and responsibilities involved, and after giving due consideration to the Group's performance.

Pursuant to Section 230(1) of the Companies Act, 2016, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The annual review during the financial year ended 31 December 2023 was conducted by the RC on 5 April 2024.

The remuneration of individual Directors of the Company, including the remuneration for services rendered to the Group and the Company for the financial year ended 31 December 2023 are as follows: -

Details of the Directors' remuneration of the Company and the Group which includes fees, salary, bonus and other emoluments for the financial year ended 31 December 2023 are disclosed in the Corporate Governance Report of the Company.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### III. Directors' Remuneration (Cont'd)

The details of the remuneration of the top Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000.00 during the financial year ended 31 December 2023 are as follows: -:

Range of Remuneration (RM)	Number of Top Senior Management
50,000 – 100,000	1
100,001 – 150,000	1
150,001 – 200,000	1
300,001 – 350,000	1

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. Audit and Risk Management Committee

The Board is assisted by the Audit and Risk Management Committee (“**ARMC**”) which comprises wholly of four (4) Independent Non-Executive Directors, to oversee the integrity of the financial statements, compliance with relevant accounting standards and the Group’s risk management and internal controls.

The members of the ARMC are as follows: -

1. Chin Peck Li (Chairperson)
2. Dato’ Dr. Rosini Binti Alias
3. Dato’ Nazipah Binti Jamaludin
4. Goh Wen Ling

The ARMC is chaired by Ms. Chin Peck Li who is an Independent Non-Executive Director and is not the Chairman of the Board. Members of the ARMC are Independent Non-Executive Directors. The authority and responsibilities of the ARMC are set out in its TOR. The ARMC has direct access to the Management as well as the internal and External Auditors, and are required to attend ARMC meetings on invitation. The authority, duties and responsibilities of the ARMC and the summary of work carried out to discharge its duties for financial year ended 31 December 2023 are detailed in the Report of the ARMC in this Annual Report 2023.

Prior to its listing on the ACE Market of Bursa Securities, the ARMC has already adopted in its TOR that a former key audit partner is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

The composition of the ARMC is reviewed annually with the view to maintain an independent and effective ARMC, and in line with the principles of the MCCG, all members of the ARMC have continuously improved their financial literacy by attending trainings on the developments and changes in the Malaysian Financial Reporting Standards in order for them to discharge their duties effectively.

The independence, suitability and appointment/re-appointment of the External Auditors is reviewed by the ARMC annually based on the External Auditors Assessment.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### II. Risk Management and Internal Control Framework

The ARMC has been formed to assist the Board on the ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process is regularly reviewed and is in accordance with the Statement on Risk Management and Internal Control in the Annual Report.

The Board is responsible to ensure that the Group complies with all applicable provisions of law and regulations and ensures that appropriate risk management systems are in place throughout the Group. The ARMC assists the Board to oversee and review the effectiveness of the Group's risk management and internal control systems.

To facilitate effective monitoring, the Board through ARMC regularly receives reports from the Internal Auditors on any business risks related to its business activities that have impacted or likely to impact the Group from achieving its objectives and strategies.

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. Engagement with Stakeholders

The Company aims to ensure that the shareholders and investors are kept informed of all major corporate developments, financial performance, Annual General Meeting (“AGM”) and other relevant information by promptly disseminating such information to shareholders and investors via announcements to Bursa Securities and the Company's website at [www.mymbn.com.my](http://www.mymbn.com.my)

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to shareholders or stakeholders. The Board is accountable to shareholders as well as other stakeholders of the Company for the performances and operations of the Company. As such, the Board endeavours to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors.

#### II. Conduct of General Meetings

The Board recognises general meeting is an ideal opportunity to communicate with shareholders and other stakeholders. The Board understand its roles and responsibilities with regards to the AGM and is aware that AGM serves as a forum for the Company to engage with its shareholders and to facilitate two-way communication between shareholders and the Board.

As the Company is listed on ACE Market of Bursa Securities on 25 July 2023, the Company has yet to hold its AGM with the shareholders since listing. In view of this, the Company has scheduled to hold its AGM on 29 May 2024. Moreover, the Company is currently in the midst of evaluating the use of technology for the meeting and to facilitate electronic voting for the conduct of poll on resolutions.

### COMPLIANCE STATEMENT

The Board is satisfied that the Group has substantially complied with the majority of the practices of the Malaysian Code on Corporate Governance throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

This Corporate Governance Overview Statement was approved by the Board on 5 April 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

The Board of Directors ("**Board**") of MYMBN Berhad ("**Company**") and its subsidiaries ("**Group**") is pleased to present its Statement on Risk Management and Internal Control ("**Statement**") for the financial year ended 31 December 2023 ("**FY2023**"). This Statement has been compiled in compliance with Rule 15.26(b) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), incorporating the principles and recommendations of the Malaysian Code on Corporate Governance ("**MCCG**") with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**Guideline**").

## RESPONSIBILITY AND ACCOUNTABILITY

The Board holds the primary responsibility for ensuring the Group upholds a sound system of risk management and internal controls, essential for safeguarding shareholder investments and the Group's assets. Committed to foster an effective control environment, the Board continuously reviews the integrity and soundness of the risk management and internal control mechanisms. To streamline the process, the Board has delegated the task of reviewing the adequacy of the Group's risk management and internal control to the Audit and Risk Management Committee ("**ARMC**") in accordance with the Terms of Reference ("**TOR**").

It is crucial to acknowledge that while the implementation of sound systems for risk management and internal control is paramount, their primary role is to manage risks to a reasonable level rather than to completely eliminate all risks. These systems are designed to provide reasonable assurance against material misstatement, loss or fraud, but it must be understood that they do not offer an absolute guarantee. This realistic approach to risk management is vital for maintaining a balanced perspective on the Group's operations and objectives.

The Board diligently ensures that there is a consistent, evolving process to effectively identify, evaluate and monitor key risks. This process is not static but is subject to ongoing review and refinement to ensure its alignment with the dynamic nature of our business environment.

## Risk Management Framework

The Group is committed to embed strong risk management practices across all business operations, enabling informed decision-making and accountable management actions. The Group has adopted an Enterprise Risk Management ("**ERM**") framework, which views risk as any event that could potentially hinder the realisation of objectives.

### Enterprise Risk Management Framework

1. Risk Identification
2. Risk Assessment
3. Risk Mitigation
4. Risk Monitoring
5. Feedback and Review
6. Communication and Reporting
7. Continual Improvement

1. **Risk Identification:** The Group will systematically identify risks associated with the bird's nest industry, such as environmental changes affecting swiftlet populations, supply chain disruptions, market demand fluctuations, and regulatory compliance requirements.
2. **Risk Assessment:** After identifying risks, the Group will evaluate them in terms of their likelihood and potential impact on the business. This step involves prioritising risks to focus on those that could most significantly affect the Group's objectives.
3. **Risk Mitigation:** The Group will then develop strategies to minimise or eliminate the identified risks. This could include diversifying swiftlet farming locations, creating robust supplier agreements, adapting to market trends, and ensuring regulatory compliance across all operations.
4. **Risk Monitoring:** Continuous monitoring on both internal and external environment will allow the Group to track the effectiveness of risk mitigation strategies and identify new risks as they emerge.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

### Risk Management Framework (Cont'd)

5. **Feedback and Review:** The Group will implement a feedback loop to reassess risks and mitigation strategies. This iterative process ensures the ERM framework remains dynamic and responsive to changes.
6. **Communication and Reporting:** Clear and transparent communication of risk management processes within the Group and to external stakeholders is essential. Regular reporting to the Board and stakeholders will help maintain trust and support informed decision-making.
7. **Continual Improvement:** The Group will constantly seek to improve its risk management processes through ongoing learning, adapting to best practices, and leveraging insights gained from risk management activities.

This ERM framework aims to embed a proactive and comprehensive approach to risk management within the Group, ensuring the Group can achieve its strategic objectives while mitigating potential risks that could hinder its progress.

### Internal Control Systems

The Group's internal control system is designed with the overarching goal of enhancing the effectiveness and efficiency of its operations, ensuring the reliability of financial reporting, and guaranteeing compliance with all applicable laws and regulations.

This comprehensive system encompasses a series of checks and balances, procedures, and practices tailored to meet the unique demands of the edible bird's nest industry.

### Objectives of the Internal Control System:

#### 1. Effectiveness and Efficiency of Operations:

The Group's internal control system includes process controls that streamline operations, optimise resource utilisation, and improve decision-making. By regularly reviewing operational processes, the Group aims to maximise productivity in every aspect of the operation, from sourcing to processing and distribution.

#### 2. Reliability of Financial Reporting:

The Group places a high priority on the accuracy and reliability of its financial statements. Controls over financial reporting include thorough documentation practices, detailed record-keeping, and stringent accounting procedures that align with International Financial Reporting Standards ("IFRS") and Malaysian Financial Reporting Standards ("MFRS"). Regular internal audits and independent external audits are conducted to ensure the integrity of the financial data.

#### 3. Compliance with Laws and Regulations:

Compliance controls are integrated into all levels of the Group's operations. The Group closely monitors changes in legislation and regulatory guidance relevant to its business, including food safety standards, international trade laws, and corporate governance requirements. Training programs are conducted to ensure that staff are informed and compliant with these laws and regulations. This is vital to ensure that the Group continues to retain the relevant licenses for export to its key market like People's Republic of China ("PRC").

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

### Internal Control Systems (Cont'd)

#### Main Features of the Risk Management and Internal Control Systems:

- **Board Committees and Oversight Functions**

The Board has established ARMC, Nomination Committee and Remuneration Committee to assist in discharging its duties. These Committees are delegated with specific authority to perform their scope of duties as defined in their respective terms of reference.

- **Organisation Structure and Reporting**

The Group has a clear organisation structure which formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group. In addition, the Board and its Board Committees are all governed by clearly defined terms of reference.

- **Limits of Authority / Delegation of Authority**

The Group has defined limits of authority which outlines the required approving authority within the Group for a specific transaction or resolution. The limit of authority is reviewed periodically and updated along with the changes in organisation.

- **Standard Operating Policies and Procedures (“SOPs”)**

SOPs consist of elements of internal control in day-to-day operations. It allows accountability and responsibility for processes within the Group. The SOPs are reviewed periodically and updated along with the changes in organisation.

- **Talent Management**

The Group provides on-the-job training programmes as well as sending employees to external training programmes. This is to ensure that they are well-equipped with the latest skills and knowledge to carry out their duties and responsibilities.

- **Anti-Bribery and Corruption Policy and Procedures**

The Group adopts a zero-tolerance towards bribery and corruption practices. The Group is committed to uphold the highest standards of ethics, integrity and operating in an environment free from bribery and corruption. The Group has established a policy which prohibits all forms of bribery and corruption practices, which are made available on the Company’s website, to provide guidance to the Directors, employees and business associates on standard of behaviour to which they must adhere to and know how to recognise and deal with bribery and corruption issues.

- **Whistle-Blowing Policy**

The Group has established a Whistle Blowing Policy to allow its employees to have a channel to report and disclose any non-compliance or illegal activities within the Group. The policy is made available on the Company’s website.

- **Safety, Health and Environment Management**

The Group puts great importance on the safety and health of employees and stakeholders. The Group enforces strict precautionary measures and guidelines in the workplace at all times as stipulated by relevant authorities.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

### Internal Control Systems (Cont'd)

For the Group, several key internal control processes are:

- **Quarterly Reviews:** The ARMC and the Board engage in quarterly evaluations of the Group's financial outcomes and operational matters to ensure consistency with strategic objectives and identify areas for improvement.
- **Operational Meetings:** Weekly operational review meetings are held to monitor business progress, deliberate on current challenges, and devise necessary corrective measures.
- **Operational Guidelines:** Clear operational guidelines and compliance standards for the various business units are well-documented, providing explicit direction and ensuring conformity with best practices. These documents are subject to regular reviews and updates to maintain their effectiveness.
- **Financial Oversight:** Financial management and treasury functions are tightly controlled at a centralized level, with regular monitoring to provide prompt financial insights and stewardship.
- **Performance Reporting:** Detailed monthly reports on operational performance metrics for each subsidiary are prepared and scrutinized by management, forming the basis for strategic decision-making and planning.

These internal control processes are integral to the Group's governance structure, underpinning the Group's commitment to operational integrity and the achievement of its strategic goals.

### Internal Audit Functions ("IAF")

The Company was listed on the ACE Market of Bursa Securities on 25 July 2023 ("**Listing**"). In preparation for the Listing, the Company engaged Sterling Business Alignment Consulting Sdn Bhd ("**Sterling**") as its Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.

After the Listing, the ARMC evaluated and outsourced the internal audit function to NeedsBridge Advisory Sdn Bhd ("**NeedsBridge**") to carry out the internal audit services for the Group. The internal audit function adopted a risk-based approach and prepared its internal audit strategy and plan based on the risk profiles of the major business functions of the Group, and in accordance with the internal audit plan for the financial year ending 31 December 2024, approved by the ARMC on 17 November 2023. The purpose of the internal audit function is to provide the Board, through ARMC, reasonable assurance of the effectiveness of the system of internal controls of the designated entities of the Group.

NeedsBridge is free from any relationships or conflicts of interest, which could potentially impair the objectivity and independence of the internal audit function. NeedsBridge does not have any direct operational responsibility or authority over any of the activities audited. The ARMC is of the opinion that the internal audit function is effective and able to function independently.

The internal audit independently reviews the system of risk management and internal controls implemented by management within the Group and reports to the ARMC on the outcome of the internal audit thereof. The internal audit planning and execution were carried out with reference to internal control guidance, the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organisations ("COSO") of the Treadway Commission, and an internationally recognised framework, which is the 'International Professional Practices Framework' ("**IPPF**") issued by the Institute of Internal Auditors ("**IIA**") Inc..



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

### Internal Audit Functions ("IAF") (Cont'd)

The scope of work for the IAF, as dictated by the Group's internal audit charter, includes the following crucial responsibilities:

- Conducting assessments of internal control systems, in accordance with the Group's operational standards, and suggesting improvements to the ARMC.
- Providing a comprehensive evaluation of the internal control environment's adequacy and effectiveness within the Group, thereby offering reasonable assurance that the Group's operational efficiency, financial reliability, and adherence to policies are being met.
- Addressing specific issues and concerns brought forth by the ARMC.
- Reviewing the deployment and effectiveness of new internal control measures introduced by the Group.
- Carrying out subsequent evaluations on management's responses to prior internal audit findings, ensuring that implemented corrective actions effectively resolve any identified issues or weaknesses in control.

The internal auditor commenced the internal audit fieldwork in December 2023 and carried out 1 cycle of internal audit review on the operations of the Group, covering production management, focusing on the key risks associated with the operating processes therein. The scope of internal audit was determined after discussion with management and taking into consideration of input from ARMC (if any). The approved IA scope has considered the relevant aspects and level of governance, risk management and internal control practices at the Group and operating processes that subject to internal audit. Root cause of audit findings, where applicable, has been reported in the IA report.

During the ARMC meeting on 26 February 2024, the ARMC deliberated on the findings and recommendations for improvement highlighted by the internal auditors and is satisfied on the adequacy and operating effectiveness of the Group's system of risk management and internal controls, as well as the recommendation action plans to remediate the internal audit findings on the IA cycle completed. The minutes of the ARMC meeting are subsequently tabled to the Board for notation and further action, where necessary.

No internal audit costs were incurred for the outsourcing of the internal audit function during the FY2023 except for the internal audit cost incurred for the Listing.

### Review of This Statement by External Auditors

In compliance with Rule 15.23 of the AMLR of Bursa Securities, the Group's external auditors have conducted a review of this Statement. Their review was carried out in line with the standards set out in Audit and Assurance Practice Guide 3 ("AAPG 3") and Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Directors and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy those problems.

Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is neither prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

### Assurance to the Board Members

The Board finds the adequacy and effectiveness of the risk management and internal control system to be satisfactory. The Board is of the view that it is able to effectively protect the shareholders' interest and the Group's assets. Additionally, the Board has received assurance from the Chief Executive Officer ("CEO") and Financial Controller that the Group's risk management and internal control system are operating adequately and effectively in all material aspects. The Board is of the view that the system of risk management and internal control in place for the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report of the Company is sound and adequate to safeguard shareholders' investment and the Group's assets. There is no internal control failure nor any significant weaknesses in the system that has resulted in any loss to the Group during the financial year under review. The Board will continue to monitor all the major risks affecting the Group and take appropriate action plans to further improve the existing risk management framework and internal control systems.

### Conclusion

In conclusion, the FY2023 SORMIC for the Group underscores the Group's unwavering commitment to uphold a sound and effective risk management and internal control system. It highlights the comprehensive measures implemented to safeguard operations, assets, and shareholder's interests, aligning with regulatory requirements and international best practices. The detailed frameworks, along with the active involvement of various committees and adherence to policies, demonstrate the Group's proactive approach to managing risks and enhancing operational integrity. The Group's dedication to continuous improvement in governance practices ensures its preparedness to navigate future challenges, maintaining a balance between achieving strategic objectives and mitigating potential risks.

This Statement is made in accordance with the resolution of the Board dated 5th April 2024 .

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Director (“**the Board**”) of MYMBN Berhad (“**MYMBN**” or “**the Company**”) is pleased to present the Report of the Audit and Risk Management Committee (“**the ARMC Report**”) for the financial year ended 31 December 2023 (“**FY2023**”). The ARMC Report provides insights into the manner the Audit and Risk Management Committee (“**ARMC**” or “**the Committee**”) discharged its duties and responsibilities in accordance with its Terms of Reference (“**TOR**”) for FY2023.

The ARMC was established to assist our Board in fulfilling its oversight responsibilities relating to accounting and reporting practices as well as risk management policies and strategies and sustainability initiatives of MYMBN and its subsidiary combined entities companies (“**MYMBN Group**” or “**the Group**”), as well as other areas of responsibilities that may be promulgated by the ACE Market Listing Requirements (“**AMLR**”) and the Malaysian Code on Corporate Governance 2021 (“**MCCG**” 2021) from time to time. The duties, responsibilities and authority of the ARMC are set out in its TOR which has been approved by the Board.

## COMPOSITION & MEETING

Members of the ARMC are appointed from amongst the Board. The ARMC comprising four (4) members, all of whom are Independent Non-Executive Directors (“**INEDs**”), complies with the requirements of AMLR. Composition of the ARMC and the meeting attendance of each member for FY2023 are provided as below:

Name	Designation	Meeting Attendance
Ms. Chin Peck Li	Chairperson	2/2
Dato’ Dr. Rosini Binti Alias	Member	2/2
Dato’ Nazipah Binti Jamaludin	Member	2/2
Ms. Goh Wen Ling	Member	2/2

Chairperson of the ARMC is a Chartered Accountant by the Malaysian Institute of Accountants (“**MIA**”) and is a fellow membership of Certified Practising Accountant, Australia (“**CPA Australia**”) and a Chartered Tax Practitioner by the Chartered Tax Institute of Malaysia. Profiles of the ARMC members are set out in Directors’ Profile Section of this Annual Report.

Notice pertaining to ARMC meeting and relevant meeting papers are distributed in advance to each ARMC member so as to ensure they are able to discharge their duties and responsibilities effectively. The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting are independent. All decisions at ARMC meeting shall be decided on a show of hands on a majority of votes.

The Company Secretary shall be the Secretary of the ARMC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting. The Company Secretary shall also be responsible for keeping the minutes of ARMC meetings and for circulating them to the ARMC members after the conclusion of each ARMC meeting.

The Committee may call for a meeting as and when required with reasonable notice as the ARMC members deem fit. ARMC members may participate in a meeting by means of tele-conference video-conference, videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

The Managing Director, Executive Director, Chief Operating Officer (“**COO**”) and Financial Controller are invited to ARMC meetings to facilitate direct reporting by Executive Management and to enable the provision of updates on the Group’s operations, activities and financial performances. Representatives of the internal audit function, external auditors and relevant members of management are invited to attend the ARMC meetings, where appropriate, to brief the ARMC on the findings and results of their work.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### SUMMARY OF ACTIVITIES CARRIED BY AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC reports regularly to the Board on its activities, deliberations and recommendations in discharging its duties and responsibilities. The following are activities undertaken by the ARMC during FY2023:

#### 1. Financial Reporting

- Reviewed the quarterly and annual unaudited financial statements of the Company and the Group together with the accompanying notes relating thereto, before recommending to the Board for approval and release to Bursa Securities and the public;
- Assessed the significant accounting policies proposed by the Company and the Group and ensure compliance with generally accepted accounting standards and other regulatory requirements prior to recommending the adoption to the Board for approval;
- Evaluated the disclosure of related party transactions and, any conflict-of-interest situation and transactions which may have an impact on financial reporting and management's integrity; and
- Reported to and updated the Board on significant matters discussed during the ARMC's meetings and where appropriate, made the necessary recommendations to the Board. Minutes of the Committee's meetings were made available to all Board members.

#### 2. External Audit

- Reviewed the external auditors' audit planning memorandum, which outlined the audit scope, areas of audit emphasis and the auditors' independence, for the FY2023.

#### 3. Risk Management and Internal Control

- Assessed and approved the policies and guidelines for managing risk within the Group as well as for determining the risk appetite and tolerance of the Group;
- Reviewed the risk assessment results to ascertain the significant risks of the Group and ensure implementation of appropriate risk management processes that can effectively identify, analyse, evaluate, monitor, and mitigate the significant risks impacting the Group;
- Reviewed and discussed Internal Audit Plan presented by Internal Auditors and recommended the same for the Board's approval; and
- Reviewed the adequacy and effectiveness of governance, risk management and compliance processes.

#### 4. Other Activities

- Conducted private sessions with the external auditors and the internal audit function without the presence of Executive Management in conjunction with ARMC meetings;
- Reviewed the Anti-Bribery and Corruption Policy and Whistleblowing Policy; and
- Reviewed other significant matters that relates the Company and the Group before recommending the proposed action to the Board for decision or approval.

### RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

At each quarterly meeting, the ARMC reviewed the related party transactions ("RPT") and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions on Management integrity.

The ARMC reviewed the RPT and conflict of interest situation presented by the Management prior to the Group entering into such transaction. The ARMC also ensures that adequate oversight over the controls are in place on the identification of the interested parties and possible conflict of interest situation before entering into the transaction.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### INTERNAL AUDIT FUNCTION

Subsequent to the Listing, ARMC has outsourced its internal audit function to an independent professional firm, namely NeedsBridge Advisory Sdn Bhd (“**NeedsBridge Advisory**”), to assist the ARMC in undertaking systematic and independent assessment on the adequacy, efficiency and effectiveness of the Group’s internal control system. The outsourced internal audit function reports directly to the ARMC. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the ARMC.

As the appointment of the outsourced internal audit function was approved by the ARMC on 17 November 2023, there was no internal audit work performed and reported for FY2023. Nevertheless, the outsourced internal audit function has prepared a risk-based internal audit plan for the financial year ending 31 December 2024, which was approved by the ARMC on 17 November 2023. The scope of review by the outsourced internal audit function is determined as stated in the internal audit plan, reviewed and approved by the ARMC with feedback from Key Senior Management.

The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter approved by the ARMC. Key terms of the engagement letter include the purpose and scope of work, accountability, independence, responsibilities of each party, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. On the other hand, the Internal Audit Charter governs the internal audit function by specifying the purpose and mission of internal audit function, its roles, professionalism required (including adherence to The Institute of Internal Auditors’ mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (hereinafter referred to as “**Standards**”), its authorities, the reporting structure, independence and objectivity required, its responsibilities, purpose of internal audit plan, reporting and monitoring and quality assurance and improvement programme.

NeedsBridge Advisory is adequately resourced with 17 personnel having the appropriate qualification and experience. The outsourced internal audit function is free from any relationship or conflict of interest that could impair its objectivity and independence. The engagement director, Ms. Law Su Peng (“**Ms. Law**”), is a Chartered Accountant certified by the Malaysian Institute of Accountants (“**MIA**”). She is also an associate member of the IIAM.

To preserve independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow-up on the progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee. The outsourced internal audit function shall be accorded unrestricted access to all functions, records, property, personnel, ARMC and other specialised services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

The outsourced internal audit function commenced the first internal audit work in December 2023 and presented the Internal Audit Report to the ARMC on 26 February 2024. Internal control observations identified together with the recommendations and management action plans were presented during the ARMC meetings. Follow-up reviews shall be carried out to ascertain the status of implementation of agreed management action plans. The results of the follow-up reviews shall be reported to the ARMC. In assisting the ARMC in discharging its oversight role for the internal audit function, the ARMC, through the reports tabled by the outsourced internal audit function, is able to assess and review the outsourced internal audit function in terms of the qualification, experience, exposure and continuous professional development during the financial year under review.

### TERMS OF REFERENCE OF ARMC

The Terms of Reference of ARMC is made available on the Company’s website at [www.mymbn.com.my](http://www.mymbn.com.my)



## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“IPO”)

Listing exercise

In conjunction with the Company’s listing on the ACE Market of Bursa Securities, on 25 July 2023, the Company issued its Prospectus for its IPO entailing the following:

- (a) 19,300,000 new Ordinary Shares available for application by the Malaysian public;
- (b) 18,678,000 new Ordinary Shares available for application by the eligible persons; and
- (c) 60,022,000 new Ordinary Shares available for private placement to selected investors.

at an IPO price of RM0.21 per Share.

Our Company was admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 98,000,000 Ordinary Shares was listed and quoted on the ACE Market of Bursa Securities on 25 July 2023.

As at 29 March 2024, the utilisation of gross proceeds from the IPO, amounting to RM20.580 million, is outlined as follows:

Description of Utilisation	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Re-allocation (RM'000)	Balance Utilisation (RM'000)	Intended Timeframe for Utilisation
(i) Business expansion					
• Purchase of the New Facility to expand processing capacity	2,804	(2,772)	(32) <sup>(1)</sup>	-	Within 24 months
• Renovation and fit out works of the New Facility	3,200	(20)	-	3,180	Within 24 months
• Setting-up of three (3) bird’s nests collection centres in East Malaysia	1,680	(14)	-	1,666	Within 24 months
• Expansion into the processing and sale of RCEBN	1,250	(337)	-	913	Within 24 months
(ii) Purchase of raw bird’s nests for RUCEBN	6,600	(6,600)	-	-	Within 6 months
(iii) Working capital	2,046	(2,078)	32 <sup>(1)</sup>	-	Within 12 months
(iv) Estimated listing expenses	3,000	(3,000)	-	-	Within 3 months
<b>TOTAL</b>	<b>20,580</b>	<b>14,821</b>	<b>-</b>	<b>5,759</b>	

**Note:**

<sup>(1)</sup> Surplus of RM0.032 million (of the purchase of the New Facility to expand processing capacity) was re-allocated to the working capital requirements of the Group, in accordance with the Company’s Prospectus dated 30 June 2023.

The utilisation of proceeds as disclosed above should be read in conjunction with the Company’s Prospectus dated 30 June 2023.

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### 2. AUDIT AND NON-AUDIT FEE

The amount of audit and non-audit fees paid and payable to the external auditors and its affiliate corporations for the audit and non-audit services rendered to the Group for FY2023 are as follows: -

Type of Services/ External Auditors		Fees (RM'000)	
		Company	Group
Audit fees:	• Crowe Malaysia PLT	25	95
	• Member firm of Crowe Global of which Crowe Malaysia PLT is a member	-	28
	Total Audit Fees	25	123
Non-audit fees:	• Crowe Malaysia PLT	40	116
	• Local affiliates of Crowe Malaysia PLT	2	16
	• Other auditors	-	3
	Total Non-Audit Fees	42	135

Non-audit services include the following:

- i) Tax compliance and advisory services
- ii) Agreed-upon procedures in relation to acquisition of a target company
- iii) Reporting accountant services pursuant to the Company's listing exercise
- iv) Certification of cost of renovation and refurbishment
- v) Transfer pricing documentation services

### 3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The Company and its subsidiaries have not entered any material contracts (not being contracts entered into the ordinary course of business) involving the interest of the Directors and major shareholders, either still subsisting at the end of the FY2023 and entered since the end of previous financial year.

### 4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The Company and its subsidiaries did not have any significant recurrent related party transactions during FY2023.

### 5. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company does not have any ESOS.

## **DIRECTORS' RESPONSIBILITIES** IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 the applicable approved accounting standards and the ACE Market Listing Requirements of Bursa Malaysia Securities Bhd to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Company and of the Group for the financial year ended 31 December 2023. The Company and the Group have used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors have responsibility for taking reasonable steps to safeguard the assets of the Group, to prevent and detect frauds and other irregularities.

The above statement was reviewed and approved by the Board of Directors on 5 April 2024.

# FINANCIAL STATEMENT



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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" of this report.

## RESULTS

	THE GROUP RM	THE COMPANY RM
Profit/(Loss) after taxation for the financial year	952,376	(574,160)
Attributable to:-		
Owners of the Company	975,121	(574,160)
Non-controlling interests	(22,745)	-
	952,376	(574,160)

## DIVIDENDS

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM10,800,001 to RM30,319,644 by way of issuance of 98,000,000 new ordinary shares at an issue price of RM0.21 per ordinary share, for a total consideration of RM20,580,000 (before deducting listing expenses of RM1,060,357 directly attributable to public issue) pursuant to the Public Issue as disclosed in Note 12(a) to the financial statements.

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

- (b) there were no issues of debentures by the Company.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.



## DIRECTORS' REPORT (CONT'D)

### **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

### **CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

### **VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### **CONTINGENT AND OTHER LIABILITIES**

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

### **CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### **ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT  
(CONT'D)

**DIRECTORS**

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Lavernt Chen Vun Wo  
Liw Chong Liong  
Lee Wei Kong  
Chin Chee Cheah  
Dato' Dr. Rosini Binti Alias  
Dato' Nazipah Binti Jamaludin  
Chin Peck Li  
Goh Wen Ling

**DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

THE COMPANY	NUMBER OF ORDINARY SHARES			
	AT 1.1.2023	BOUGHT	SOLD	AT 31.12.2023
<i>Direct Interests</i>				
Lavernt Chen Vun Wo	129,600,000	-	-	129,600,000
Liw Chong Liong	43,200,000	-	-	43,200,000
Lee Wei Kong	43,200,000	-	-	43,200,000
Chin Chee Cheah	-	200,000	-	200,000
Dato' Dr. Rosini Binti Alias	-	200,000	-	200,000
Dato' Nazipah Binti Jamaludin	-	200,000	-	200,000
Chin Peck Li	-	200,000	-	200,000
Goh Wen Ling	-	200,000	-	200,000
<i>Indirect Interests</i>				
Liw Chong Liong <sup>#</sup>	43,200,000	-	-	43,200,000

<sup>#</sup> Deemed interested through his direct substantial shareholding in MLCL Construction Sdn. Bhd.

By virtue of his shareholdings in the Company, Lavernt Chen Vun Wo is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Director's Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	<b>THE GROUP RM</b>	<b>THE COMPANY RM</b>
Rental of office paid /payable to a subsidiary	-	20,000

Neither during nor at the end of the financial year was the Group and the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed as follows:-

	<b>THE GROUP RM</b>	<b>THE COMPANY RM</b>
Fees	258,000	258,000
Salaries, bonuses and other benefits	441,937	12,000
Defined contribution benefits	51,120	-
	<b>751,057</b>	<b>270,000</b>

### INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

## DIRECTORS' REPORT (CONT'D)

### SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal Activities
<i>Subsidiaries of the Company</i>			
MBN Enterprise Sdn. Bhd.	Malaysia	100%	Processing and sale of edible bird's nest
MBN International Sdn. Bhd.	Malaysia	100%	Processing and sale of edible bird's nest
Guangxi Nan Yang Birdnest (M) Co., Ltd ("Guangxi Nan Yang")	People's Republic of China (excludes Special Administration Region of Hong Kong and Macao) ("PRC")	80%	Processing and sale of edible bird's nest

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company had issued the Prospectus on 30 June 2023 for the following:-

**i. Public issue**

The Public Issue of 98,000,000 new shares, representing approximately 25.39% of the enlarged issued share capital of the Company at an issue price of RM0.21 per share allocated in the following manner:-

- 19,300,000 new shares made available for application by the Malaysian Public;
- 18,678,000 new shares made available for application by the eligible directors, employees and persons who have contributed to the success of the Group; and
- 60,022,000 new shares made available for application by way of private placement to selected investors.

**ii. Listing**

The admission of the Company to the Official List of Bursa Securities on 25 July 2023 and the listing of and quotation for the entire enlarged issued share capital of the Company comprising 386,000,000 shares on the ACE Market of Bursa Securities.

- (b) On 9 May 2023, the Company has executed an equity transfer agreement with the vendor of Guangxi Nan Yang (a company incorporated in the PRC) to acquire 80% equity interests in Guangxi Nan Yang at the purchase consideration of RMB540,000 (equivalent to RM345,496). Upon the completion of the acquisition on 28 July 2023, Guangxi Nan Yang became 80% owned subsidiary of the Company. As stipulated in the equity transfer agreement, the Company has a commitment of capital contribution in share capital of Guangxi Nan Yang of RMB4,000,000. The Company has contributed a sum of RMB2,000,000 (equivalent to RM1,276,400) into Guangxi Nan Yang during the financial year and contributed the remaining capital contribution of RMB2,000,000 (equivalent to RM1,292,400) on 19 January 2024.

**DIRECTORS' REPORT**  
**(CONT'D)****AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	<b>THE GROUP RM</b>	<b>THE COMPANY RM</b>
Audit fees:-		
- Statutory audit	95,000	25,000
Non-audit fees	116,000	40,000
	<hr/> 211,000	<hr/> 65,000

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 5 APRIL 2024**

**Lavernt Chen Yun Wo**

**Chin Chee Cheah**



## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

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 68 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 5 APRIL 2024**

**Lavernt Chen Vun Wo**

**Chin Chee Cheah**

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Wang Heong Ying, MIA Membership Number: 36452, being the officer primarily responsible for the financial management of MYMBN Berhad, do solemnly and sincerely declare that the financial statements set out on pages 68 to 110 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Wang Heong Ying,  
at Melaka  
in the State of Melaka  
on this 5 April 2024

Before me

**Wang Heong Ying**

**Shahrizah Binti Yahya**  
Commissioner of Oaths  
No. M048

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYMBN BERHAD

(INCORPORATED IN MALAYSIA) REGISTRATION NO: 202201011844 (1457541-U)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of MYMBN Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 68 to 110.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

<b>Revenue Recognition</b> Refer to Note 22 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
Consolidated revenue recorded by the Group during the year amounted to approximately RM68 million. We consider revenue recognition for sale of goods to be a potential cause for higher risk of material misstatement from the perspective of timing of recognition and the amount of revenue recognised. Accordingly, we regarded revenue recognition to be a key audit matter.	Our procedures included, amongst others:- <ul style="list-style-type: none"> <li>• testing the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements;</li> <li>• reviewing the terms of sales contract to determine the point of transfer of risk and rewards on a sample basis;</li> <li>• testing the recording of sales transactions, revenue cut-off and review of credit notes after year end; and</li> <li>• obtaining confirmations and reviewing collections relating to material trade receivables as at financial year end.</li> </ul>

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MYMBN BERHAD (CONT'D)**  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 202201011844 (1457541-U)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MYMBN BERHAD (CONT'D)  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 202201011844 (1457541-U)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditor, is disclosed in Note 5 to the financial statements.

INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MYMBN BERHAD (CONT'D)  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 202201011844 (1457541-U)

**OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

**Chin Siew Choo**  
03720/03/2025 J  
Chartered Accountant

Melaka

5 April 2024

**STATEMENTS OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2023

	Note	THE GROUP		THE COMPANY	
		31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	5	-	-	21,326,400	10,800,100
Property, plant and equipment	6	2,617,115	1,635,545	7,106	-
Intangible asset	7	538,765	-	345,496	-
Right-of-use assets	8	6,580,242	2,715,140	-	-
Deposit placed for life insurance policy	9	80,202	80,202	-	-
		9,816,324	4,430,887	21,679,002	10,800,100
<b>CURRENT ASSETS</b>					
Inventories	10	7,791,821	4,310,440	-	-
Trade and other receivables	9	4,255,720	2,983,769	7,140	-
Fixed deposits with licensed banks	11	1,509,250	500,000	1,000,000	-
Cash and bank balances		21,424,261	8,998,619	7,028,019	12,805
Current tax assets		614,342	-	-	-
		35,595,394	16,792,828	8,035,159	12,805
<b>TOTAL ASSETS</b>		<b>45,411,718</b>	<b>21,223,715</b>	<b>29,714,161</b>	<b>10,812,905</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	12(a)	30,319,644	10,800,001	30,319,644	10,800,001
Merger deficit	13	(10,300,000)	(10,300,000)	-	-
Retained profits/(Accumulated losses)		15,583,981	14,608,860	(671,983)	(97,823)
Foreign currency translation reserve	14	13,953	-	-	-
Equity attributable to owners of the Company		35,617,578	15,108,861	29,647,661	10,702,178
Non-controlling interests		246,776	-	-	-
<b>TOTAL EQUITY</b>		<b>35,864,354</b>	<b>15,108,861</b>	<b>29,647,661</b>	<b>10,702,178</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	15	2,873,186	1,914,931	-	-
Deferred tax liabilities	16	144,000	173,000	-	-
		3,017,186	2,087,931	-	-
<b>CURRENT LIABILITIES</b>					
Trade and other payables	17	2,770,075	1,303,280	66,500	52,000
Amount owing to a subsidiary	18	-	-	-	58,727
Short-term borrowings	19	3,760,103	2,489,790	-	-
Current tax liabilities		-	233,853	-	-
		6,530,178	4,026,923	66,500	110,727
<b>TOTAL LIABILITIES</b>		<b>9,547,364</b>	<b>6,114,854</b>	<b>66,500</b>	<b>110,727</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>45,411,718</b>	<b>21,223,715</b>	<b>29,714,161</b>	<b>10,812,905</b>

The annexed notes form an integral part of these financial statement



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	THE GROUP		THE COMPANY	
		1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM (Restated)	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
REVENUE	22	67,744,754	68,871,214	-	-
COST OF SALES		(61,112,891)	(58,947,065)	-	-
GROSS PROFIT		6,631,863	9,924,149	-	-
OTHER INCOME		345,227	19,484	129,832	-
ADMINISTRATIVE EXPENSES		(4,642,628)	(3,660,581)	(703,992)	(97,823)
SELLING AND DISTRIBUTION EXPENSES		(230,905)	(65,272)	-	-
FINANCE COSTS		(236,987)	(170,733)	-	-
PROFIT/(LOSS) BEFORE TAXATION	23	1,866,570	6,047,047	(574,160)	(97,823)
INCOME TAX EXPENSE	24	(914,194)	(1,725,101)	-	-
PROFIT/(LOSS) AFTER TAXATION		952,376	4,321,946	(574,160)	(97,823)
OTHER COMPREHENSIVE INCOME					
<u>Item that Will be Reclassified</u> <u>Subsequently to Profit or Loss</u>					
Foreign currency translation differences		17,441	-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR/PERIOD		969,817	4,321,946	(574,160)	(97,823)
<b>PROFIT/(LOSS) AFTER TAXATION</b> <b>ATTRIBUTABLE TO:-</b>					
- Owners of the Company		975,121	4,321,946	(574,160)	(97,823)
- Non-controlling interests		(22,745)	-	-	-
		952,376	4,321,946	(574,160)	(97,823)
<b>TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-</b>					
- Owners of the Company		989,074	4,321,946	(574,160)	(97,823)
- Non-controlling interests		(19,257)	-	-	-
		969,817	4,321,946	(574,160)	(97,823)
<b>EARNING PER SHARE</b>					
Basic/Diluted (sen)	25	0.29	1.50		

The annexed notes form an integral part of these financial statement

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share Capital RM	Invested Capital RM	Non- Distributable Merger Deficit RM	Distributable Retained Profits RM	Total Equity RM
<b>THE GROUP</b>					
Balance at 1.1.2022	-	500,000	-	10,286,914	10,786,914
Profit after taxation/Total comprehensive income for the financial year	-	-	-	4,321,946	4,321,946
Contributions by and distributions to owners of the Company:-					
- Incorporation of the Company	1	-	-	-	1
- Issuance of shares for the acquisition of a subsidiary	10,800,000	-	-	-	10,800,000
- Adjustment on the acquisition of a subsidiary	-	(500,000)	(10,300,000)	-	(10,800,000)
Total transactions with owners	10,800,001	(500,000)	(10,300,000)	-	1
Balance at 31.12.2022	10,800,001	-	(10,300,000)	14,608,860	15,108,861

The annexed notes form an integral part of these financial statement

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

THE GROUP	Note	Non-Distributable				Distributable		Attributable		Total Equity RM
		Share Capital RM	Invested Capital RM	Merger Deficit RM	Foreign Currency Translation Reserve RM	Retained Profits RM	to owners of the Company RM	Non-controlling Interest RM		
Balance at 1.1.2023		10,800,001	-	(10,300,000)	-	14,608,860	15,108,861	-	15,108,861	
Profit after taxation for the financial year		-	-	-	-	975,121	975,121	(22,745)	952,376	
Other comprehensive income for the financial year:-										
- Foreign currency translation differences		-	-	-	13,953	-	13,953	3,488	17,441	
Total comprehensive income for the financial year		-	-	-	13,953	975,121	989,074	(19,257)	969,817	
Contributions by and distributions to owners of the Company:-										
- Issuance of shares for public issue	12(a)	20,580,000	-	-	-	-	20,580,000	-	20,580,000	
- Listing expenses	12(a)	(1,060,357)	-	-	-	-	(1,060,357)	-	(1,060,357)	
- Acquisition of subsidiary		-	-	-	-	-	-	(48,317)	(48,317)	
- Issuance of shares by subsidiary to non-controlling interests		-	-	-	-	-	-	314,350	314,350	
Total transactions with owners		19,519,643	-	-	-	-	19,519,643	266,033	19,785,676	
Balance at 31.12.2023		30,319,644	-	(10,300,000)	13,953	15,583,981	35,617,578	246,776	35,864,354	

The annexed notes form an integral part of these financial statement

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

THE COMPANY	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
Balance at 31.3.2022 (date of incorporation)		1	-	1
Loss after taxation/Total comprehensive expenses for the financial period		-	(97,823)	(97,823)
Contribution by owners of the Company - Issuance of shares for the acquisition of a subsidiary	12(a)	10,800,000	-	10,800,000
Balance at 31.12.2022/1.1.2023		10,800,001	(97,823)	10,702,178
Loss after taxation/Total comprehensive expenses for the financial year		-	(574,160)	(574,160)
Contribution by and distributions to owners of the Company:-				
- Issuance of shares for public issue	12(a)	20,580,000	-	20,580,000
- Listing expenses	12(a)	(1,060,357)	-	(1,060,357)
Total transactions with owners		19,519,643	-	19,519,643
Balance at 31.12.2023		30,319,644	(671,983)	29,647,661

The annexed notes form an integral part of these financial statement

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	THE GROUP		THE COMPANY	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before taxation	1,866,570	6,047,047	(574,160)	(97,823)
Adjustments for:-				
Depreciation of property, plant and equipment	327,083	278,782	374	-
Depreciation of right-of-use assets	46,004	47,421	-	-
Interest expenses	222,001	165,589	-	-
Loss on foreign exchange- unrealised	48,534	-	-	-
Interest income	(210,023)	(19,484)	(129,832)	-
Operating profit/(loss) before working capital changes	2,300,169	6,519,355	(703,618)	(97,823)
(Increase)/Decrease in inventories	(1,778,244)	775,278	-	-
Increase in trade and other receivables	(1,066,115)	(2,923,248)	(7,140)	-
(Decrease)/Increase in trade and other payables	(1,080,388)	479,148	14,500	52,000
<b>CASH (FOR)/FROM OPERATIONS</b>	(1,624,578)	4,850,533	(696,258)	(45,823)
Income tax paid	(1,791,389)	(2,389,256)	-	-
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	(3,415,967)	2,461,277	(696,258)	(45,823)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>				
Investment in a subsidiary	-	-	(1,276,400)	(100)
Additional investments in existing subsidiaries	-	-	(9,249,900)	-
Interest received	210,023	19,484	129,832	-
Purchase of property, plant and equipment	27(a) (637,405)	(97,307)	(7,480)	-
Acquisition of intangible asset	(345,496)	-	(345,496)	-
Acquisition of subsidiary, net of cash and cash equivalents acquired	101,842	-	-	-
Purchase of right-of-use assets	27(a) (3,911,106)	-	-	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(4,582,142)	(77,823)	(10,749,444)	(100)

The annexed notes form an integral part of these financial statement

STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	THE GROUP		THE COMPANY	
		1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of ordinary shares		20,580,000	1	20,580,000	1
Payment of share issue expenses		(1,060,357)	-	(1,060,357)	-
Proceeds from issuance of shares by subsidiary to non-controlling interest		314,350	-	-	-
Repayment of hire purchase payable	27(c)	(51,415)	-	-	-
Drawdown of term loans	27(c)	754,200	-	-	-
Repayment of term loans	27(c)	(66,217)	(539,511)	-	-
Interest paid	27(c)	(222,001)	(165,589)	-	-
Net drawdown of bankers' acceptance (Repayment to)/Advances from a subsidiary	27(c)	-	-	(58,727)	58,727
Addition of fixed deposit pledged to a licensed bank		(9,250)	(500,000)	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>21,406,310</b>	<b>216,901</b>	<b>19,460,916</b>	<b>58,728</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>13,408,201</b>	<b>2,600,355</b>	<b>8,015,214</b>	<b>12,805</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>		<b>17,441</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD</b>		<b>8,998,619</b>	<b>6,398,264</b>	<b>12,805</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD</b>	27(d)	<b>22,424,261</b>	<b>8,998,619</b>	<b>8,028,019</b>	<b>12,805</b>

The annexed notes form an integral part of these financial statement



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : Level 5, Tower 8, Avenue 5  
Horizon 2, Bangsar South City  
59200 Kuala Lumpur

Principal place of business : No. 17, 19, 21, 23 & 25  
Jalan Melaka Raya 26  
Taman Melaka Raya  
75000 Melaka

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 5 April 2024.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 101: Disclosure of Accounting Policies  
Amendments to MFRS 108: Definition of Accounting Estimates  
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction  
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

### Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 4 to the financial statements in line with the amendments.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**3. BASIS OF PREPARATION (CONT'D)**

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments) Effective Date**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

**4. MATERIAL ACCOUNTING POLICY INFORMATION**

**4.1 Critical Accounting Estimates and Judgements**

*Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

- (a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

- (b) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

- (c) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

- (d) Impairment of Intangible Asset

The assessment of whether intangible asset is impaired requires an estimation of the value in use of the cash-generating unit to which the intangible asset is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 4.1 Critical Accounting Estimates and Judgements (Cont'd)

###### *Key Sources of Estimation Uncertainty (Cont'd)*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below (Cont'd):-

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(f) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests.

###### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### 4.2 Basis of Consolidation

The Group applies the acquisition method of accounting for those business combinations which were accounted for using merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflects the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**4.3 Financial Instruments**

**(a) Financial Assets**

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

**(b) Financial Liabilities**

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

**(c) Equity**

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

**(d) Financial Guarantee Contracts**

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

**4.4 Investments in Subsidiaries**

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

**4.5 Property, Plant and Equipment**

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:

Computer and office equipment	10% - 25%
Furniture and fittings	10%
Renovation	10%
Cold room, machinery and equipment	10%
Motor vehicles	20%
Signboard	10%

Capital work-in-progress represent renovation-in-progress. They are not depreciated until such time when the asset is available for use.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 4.6 Right-of-use Assets

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

##### 4.7 Intangible Assets

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

###### Intangible Asset with Indefinite Useful Life

The intangible asset is related to an approval license to import and export goods in PRC. The useful life of the intangible asset is estimated to be indefinite. Therefore, the intangible asset is carried at cost without amortisation but is tested for impairment annually and whenever there is an indication that it may be impaired.

##### 4.8 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.

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	31.12.2023 RM	31.12.2022 RM
Unquoted shares, at cost	21,326,400	10,800,100

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		31.12.2023	31.12.2022	
<i>Subsidiaries of the Company</i>				
MBN Enterprise Sdn. Bhd. ("MBN Enterprise")	Malaysia	100%	100%	Processing and sale of edible bird's nest
MBN International Sdn. Bhd. ("MBN International")	Malaysia	100%	100%	Processing and sale of edible bird's nest
Guangxi Nan Yang Birdnest (M) Co., Ltd ("Guangxi Nan Yang") *	People's Republic of China (excludes Special Administration Region of Hong Kong and Macao) ("PRC")	80%	-	Processing and sale of edible bird's nest

\* This subsidiary was audited by member firm of Crowe Global of which Crowe Malaysia PLT is a member.

- On 28 July 2023, the Company has acquired 80% equity interests in Guangxi Nan Yang. The details of the acquisition are disclosed in Note 26 to the financial statements.
- On 1 August 2023 and 1 December 2023, the Company subscribed 2,000,000 ordinary shares in Guangxi Nan Yang for cash consideration of RMB2,000,000 (equivalent to RM1,276,400) in total. The subscription did not change the percentage of shareholding effectively held by the Company.
- On 10 August 2023, MBN International increased its issued and paid-up share capital from RM100 to RM100,000. The Company has subscribed additional 99,900 ordinary shares for a total cash consideration of RM99,900.
- On 31 December 2023, the Company has subscribed additional ordinary shares in MBN Enterprise for a total consideration of RM3,900,000, satisfied by settlement of amount owing by MBN Enterprise. The subscription did not change the percentage of shareholding effectively held by the Company.
- On 31 December 2023, the Company has subscribed additional ordinary shares in MBN International for a total consideration of RM5,250,000, satisfied by settlement of amount owing by MBN International. The subscription did not change the percentage of shareholding effectively held by the Company.



NOTES TO THE FINANCIAL STATEMENTS  
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(CONT'D)

**5. INVESTMENT IN SUBSIDIARIES (CONT'D)**

(f) The non-controlling interests at the end of the reporting period comprise the following:-

	<b>EFFECTIVE EQUITY INTEREST</b>		<b>THE GROUP</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>
			<b>RM</b>
Guangxi Nan Yang	20%	-	246,776

(g) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:-

	<b>Guangxi Nan Yang 31.12.2023 RM</b>
<u>At 31 December</u>	
Non-current assets	679,000
Current assets	2,282,207
Current liabilities	(1,708,324)
Net assets	1,252,883
<u>Financial Year Ended 31 December</u>	
Revenue	2,267,794
Loss for the financial year/Total comprehensive expenses	(113,723)
Total comprehensive expenses attributable to non-controlling interests	(22,745)
Net cash flows for operating activities	(1,292,530)
Net cash flows for investing activities	(22,262)
Net cash flows from financing activities	1,448,317

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6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	At 1.1.2023 RM	Additions (Note 27(a)) RM	Depreciation Charges (Note 23) RM	Acquisition of a Subsidiary (Note 26) RM	At 31.12.2023 RM
<i>Carrying Amount</i>					
Computer and office equipment	242,861	67,185	(85,201)	-	224,845
Furniture and fittings	116,828	1,096	(18,381)	-	99,543
Renovation	723,532	421,450	(94,615)	246,248	1,296,615
Cold room, machinery and equipment	418,205	26,484	(70,626)	-	374,063
Motor vehicles	134,119	506,710	(57,886)	-	582,943
Signboard	-	7,480	(374)	-	7,106
Capital work-in- progress	-	32,000	-	-	32,000
	1,635,545	1,062,405	(327,083)	246,248	2,617,115

THE GROUP	At 1.1.2022 RM	Additions (Note 27(a)) RM	Depreciation Charges (Note 23) RM	At 31.12.2022 RM
<i>Carrying Amount</i>				
Computer and office equipment	311,054	16,444	(84,637)	242,861
Furniture and fittings	135,200	-	(18,372)	116,828
Renovation	736,379	76,063	(88,910)	723,532
Cold room, machinery and equipment	482,608	4,800	(69,203)	418,205
Motor vehicles	151,779	-	(17,660)	134,119
	1,817,020	97,307	(278,782)	1,635,545

THE GROUP	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>31.12.2023</b>			
Computer and office equipment	632,731	(407,886)	224,845
Furniture and fittings	184,812	(85,269)	99,543
Renovation	1,613,850	(317,235)	1,296,615
Cold room, machinery and equipment	701,402	(327,339)	374,063
Motor vehicles	683,309	(100,366)	582,943
Signboard	7,480	(374)	7,106
Capital work-in-progress	32,000	-	32,000
	3,855,584	(1,238,469)	2,617,115

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

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

<b>THE GROUP</b>	<b>At Cost RM</b>	<b>Accumulated Depreciation RM</b>	<b>Carrying Amount RM</b>
<b>31.12.2022</b>			
Computer and office equipment	565,546	(322,685)	242,861
Furniture and fittings	183,716	(66,888)	116,828
Renovation	946,152	(222,620)	723,532
Cold room, machinery and equipment	674,918	(256,713)	418,205
Motor vehicles	176,599	(42,480)	134,119
	2,546,931	(911,386)	1,635,545

<b>THE COMPANY</b>	<b>At 1.1.2023 RM</b>	<b>Additions (Note 27(a)) RM</b>	<b>Depreciation Charges (Note 23) RM</b>	<b>At 31.12.2023 RM</b>
<i>Carrying Amount</i>				
Signboard	-	7,480	(374)	7,106

<b>THE COMPANY</b>	<b>At Cost RM</b>	<b>Accumulated Depreciation RM</b>	<b>Carrying Amount RM</b>
<b>31.12.2023</b>			
Signboard	7,480	(374)	7,106

Included in the property, plant and equipment of the Group was motor vehicle with a total carrying amount of RM421,859 (31.12.2022 – Nil) held under hire purchase arrangement. This asset has been pledged as security for the hire purchase payable of the Group as disclosed in Note 20 to the financial statements.

**7. INTANGIBLE ASSET**

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>31.12.2023 RM</b>	<b>31.12.2022 RM</b>	<b>31.12.2023 RM</b>	<b>31.12.2022 RM</b>
Cost:-				
At 1 January	-	-	-	-
Additions	345,496	-	345,496	-
Acquisition of a subsidiary (Note 26)	193,269	-	-	-
	538,765	-	345,496	-
At 31 December	538,765	-	345,496	-

NOTES TO THE FINANCIAL STATEMENTS  
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(CONT'D)

**7. INTANGIBLE ASSET (CONT'D)**

- (a) The intangible asset is related to an approval license to import and export goods in PRC (“approval license”). The Group had determined that the intangible asset has indefinite useful lives.
- (b) The Group has assessed the recoverable amount of approval license and determined that no impairment is required. Its recoverable amount is determined using the value in use approach, and this is derived from the present value of the future cash flows from cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount are as follows:-

	<b>Gross Margin 2023 %</b>	<b>Revenue Growth Rate 2023 %</b>	<b>Discount Rate 2023 %</b>
Guangxi Nan Yang	6.00	3.38	6.53

- (i) Budgeted gross margin      Gross margins are estimated based on forecasted gross margin after considering local requirement and operating costs.
- (ii) Revenue growth rate      Based on expected revenue growth relevant to the industry.
- (iii) Discount rate (pre-tax)      The rate reflects specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumptions represent management’s assessment of future trends in the cash-generating units and are based on best estimation.

- (c) Management believes that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

**8. RIGHT-OF-USE ASSETS**

<b>THE GROUP</b>	<b>At 1.1.2023 RM</b>	<b>Additions (Note 27(a)) RM</b>	<b>Depreciation Charges (Note 23) RM</b>	<b>At 31.12.2023 RM</b>
<b>31.12.2023</b>				
<i>Carrying Amount</i>				
Leasehold land and buildings	2,715,140	3,911,106	(46,004)	6,580,242

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**8. RIGHT-OF-USE ASSETS (CONT'D)**

<b>THE GROUP</b>	<b>At 1.1.2022 RM</b>	<b>Depreciation Charges (Note 23) RM</b>	<b>At 31.12.2022 RM</b>
<b>31.12.2022</b>			
<i>Carrying Amount</i>			
Leasehold land and buildings	2,762,561	(47,421)	2,715,140

(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 a period of 71 to 77 years.

(b) The leasehold land and buildings are pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 19 and 21 to the financial statements.

**9. TRADE AND OTHER RECEIVABLES**

	<b>NOTE</b>	<b>THE GROUP</b>		<b>THE COMPANY</b>	
		<b>31.12.2023 RM</b>	<b>31.12.2022 RM</b>	<b>31.12.2023 RM</b>	<b>31.12.2022 RM</b>
<b>Other receivables</b>					
<u>Non-current</u>					
Deposit placed for life insurance policy:-					
At 1 January/31 December	(a)	80,202	80,202	-	-
<b>Trade receivables</b>					
<u>Current</u>					
Third parties	(b)	3,771,054	2,549,397	-	-
Less: Allowance for impairment loss		(262,547)	(262,547)	-	-
Net trade receivables		3,508,507	2,286,850	-	-
<b>Other receivables</b>					
<u>Current</u>					
Other receivables:-					
- Third parties		268,777	-	-	-
Advanced payment to suppliers		327,711	-	-	-
Deposits		62,397	431,493	7,000	-
Prepayments		88,328	265,426	140	-
		747,213	696,919	7,140	-
Total trade and other receivables – current		4,255,720	2,983,769	7,140	-
<b>Allowance for impairment loss:-</b>					
At 1 January/31 December		262,547	262,547	-	-

NOTES TO THE FINANCIAL STATEMENTS  
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(CONT'D)

**9. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (a) 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 2023, 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.

- (b) The Group's trade credit term is 14 (31.12.2022 – 14) days. Other credit terms are assessed and approved on a case-by-case basis.

**10. INVENTORIES**

	<b>THE GROUP</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Raw materials	4,498,407	-
Finished goods	3,277,241	4,310,440
Work in progress	16,173	-
	7,791,821	4,310,440

The amount of inventories recognised as an expense in cost of sales was RM61,112,891 (31.12.2022 – RM58,947,065).

**11. FIXED DEPOSITS WITH LICENSED BANKS**

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 3.10% to 3.25% (31.12.2022 – 1.85%) per annum and 3.10% (31.12.2022 – Nil) per annum respectively. The fixed deposits have maturity periods ranging from 1 to 12 months (31.12.2022 – 12 months) and 1 month (31.12.2022 – Nil) for the Group and the Company respectively.
- (b) Included in the fixed deposits with licensed banks of the Group at the end of reporting period was an amount of RM509,250 (31.12.2022 – RM500,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 19 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
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## 12. SHARE CAPITAL AND INVESTED CAPITAL

### (a) Share Capital

	THE GROUP/THE COMPANY			
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	NUMBER OF SHARES		RM	RM
<b>Issued and Fully Paid-up</b>				
Ordinary Shares				
At 1 January/At date of incorporation	288,000,000	1	10,800,001	1
Issuance of new shares pursuant to:-				
- Acquisition of a subsidiary	-	287,999,999	-	10,800,000
- Public issue	98,000,000	-	20,580,000	-
Listing expenses	-	-	(1,060,357)	-
At 31 December	386,000,000	288,000,000	30,319,644	10,800,001

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.

### (b) Invested Capital

	THE GROUP			
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Number of Shares		RM	RM
<b>Issued and Fully Paid-Up</b>				
Ordinary shares:-				
At 1 January	-	500,000	-	500,000
Adjustment pursuant to the acquisition of a subsidiary	-	(500,000)	-	(500,000)
At 31 December	-	-	-	-

## 13. 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.

## 14. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary whose functional currency is different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS  
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15. LONG-TERM BORROWINGS

	THE GROUP	
	31.12.2023 RM	31.12.2022 RM
Hire purchase payable (Note 20)	293,580	-
Term loans (Note 21)	2,579,606	1,914,931
	<u>2,873,186</u>	<u>1,914,931</u>

16. DEFERRED TAX LIABILITIES

THE GROUP	At	Recognised in	At
	1.1.2023 RM	Profit or Loss (Note 24) RM	31.12.2023 RM
<b>31.12.2023</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	236,000	(29,000)	207,000
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(63,000)	-	(63,000)
	<u>173,000</u>	<u>(29,000)</u>	<u>144,000</u>

THE GROUP	At	Recognised in	At
	1.1.2022 RM	Profit or Loss (Note 24) RM	31.12.2022 RM
<b>31.12.2022</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	207,000	29,000	236,000
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(63,000)	-	(63,000)
	<u>144,000</u>	<u>29,000</u>	<u>173,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
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(CONT'D)

**17. TRADE AND OTHER PAYABLES**

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Trade payables</b>				
Third parties	2,347,031	1,022,850	-	-
<b>Other payables</b>				
Other payables	199,620	74,250	-	-
Deposit received	57,158	-	-	-
Accruals	166,266	206,180	66,500	52,000
	423,044	280,430	66,500	52,000
	2,770,075	1,303,280	66,500	52,000

The Group's trade credit term is 14 (31.12.2022 – 14) days. Other credit terms are assessed and approved on a case-by-case basis.

**18. AMOUNT OWING TO A SUBSIDIARY**

	<b>THE COMPANY</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Non-trade</b>		
<u>Current</u>		
Subsidiary	-	58,727

The non-trade balances represent unsecured and interest-free advances. The amount owing is to be settled in cash and repayable on demand.

**19. SHORT-TERM BORROWINGS**

	<b>THE GROUP</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Bankers' acceptances	3,589,000	2,422,000
Hire purchase payable (Note 20)	80,005	-
Term loans (Note 21)	91,098	67,790
	3,760,103	2,489,790

NOTES TO THE FINANCIAL STATEMENTS  
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**19. SHORT-TERM BORROWINGS (CONT'D)**

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

	<b>THE GROUP</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	%	%
Bankers' acceptances	4.85	5.11

The bankers' acceptances are secured by the following:-

- (i) by fixed charges over the Group's leasehold land and buildings as disclosed in Note 8 to the financial statements;
- (ii) by lien over the fixed deposit with a licensed bank of the Group as disclosed in Note 11 to the financial statements; and
- (iii) by corporate guarantee from the Company.

**20. HIRE PURCHASE PAYABLE**

	<b>THE GROUP</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	RM	RM
Minimum hire purchase payments:		
- not later than 1 year	94,860	-
- later than 1 year but not later than 5 years	316,200	-
	411,060	-
Less: Future finance charges	(37,475)	-
	373,585	-
Analysed by:-		
Current liabilities (Note 19)	80,005	-
Non-current liabilities (Note 15)	293,580	-
	373,585	-

The hire purchase payable at the end of reporting date, bore effective interest rate at 4.41% (31.12.2022 – Nil) per annum.

The hire purchase payable of the Group was secured by the Group's motor vehicle under finance lease as disclosed in Note 6 to the financial statements.

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**21. TERM LOANS**

	<b>THE GROUP</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Current liabilities (Note 19)	91,098	67,790
Non-current liabilities (Note 15)	2,579,606	1,914,931
	2,670,704	1,982,721

The weighted average effective interest rate of term loans are 4.82% (31.12.2022 – 4.55%) per annum.

The term loans are secured by the following:-

- (i) by fixed charges over the Group's leasehold land and buildings as disclosed in Note 8 to the financial statements; and
- (ii) by corporate guarantee from the Company.

**22. REVENUE**

	<b>THE GROUP</b>	
	<b>1.1.2023</b>	<b>1.1.2022</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Revenue from Contracts with Customers</b>		
<u>Revenue recognised at a point in time</u>		
Sales of edible bird's nest	67,744,754	68,871,214
	67,744,754	68,871,214
Represented by geographical market:-		
Malaysia	2,521,387	999,446
PRC	59,315,440	67,871,768
Vietnam	5,907,927	-
	67,744,754	68,871,214

NOTES TO THE FINANCIAL STATEMENTS  
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**23. PROFIT/(LOSS) BEFORE TAXATION**

	THE GROUP		THE COMPANY	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:-				
- audit fees:				
- auditors of the Company:-				
- current year	95,000	69,000	25,000	22,000
- over provision in the previous financial year	-	(10,000)	-	-
- member firm of Crowe Global of which Crowe Malaysia PLT is a member:-				
- current year	27,946	-	-	-
- non-audit fees:				
- auditors of the Company	116,000	154,000	40,000	-
- member firm of the auditors of the Company	16,000	12,000	1,500	1,500
- other auditors	3,000	12,000	-	-
<b>Material Expenses/(Income)</b>				
Contributions to defined contribution plan:-				
- directors of the Company	51,120	46,800	-	-
- others	199,564	172,575	-	-
Depreciation of property, plant and equipment	327,083	278,782	374	-
Depreciation of right-of-use assets	46,004	47,421	-	-
Directors' remuneration:-				
- directors' fees	258,000	30,000	258,000	30,000
- non-fee emoluments	441,937	421,542	12,000	-
Interest expenses on financial liabilities that are not at fair value through profit or loss:-				
- bankers' acceptances	108,999	73,849	-	-
- hire purchase	11,825	-	-	-
- term loans	101,177	91,740	-	-
Lease expenses:-				
- short-term leases	67,701	20,970	20,000	-
Listing expenses	918,200	702,000	249,865	-
(Gain)/Loss on foreign exchange:-				
- realised	(126,032)	202,416	-	-
- unrealised	48,534	-	-	-
Staff costs:-				
- short-term employee benefits	1,843,600	1,803,104	-	-
Total interest income on financial assets measured at amortised cost	(210,023)	(19,484)	(129,832)	-

NOTES TO THE FINANCIAL STATEMENTS  
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**24. INCOME TAX EXPENSE**

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>1.1.2023 to 31.12.2023 RM</b>	<b>1.1.2022 to 31.12.2022 RM</b>	<b>1.1.2023 to 31.12.2023 RM</b>	<b>31.3.2022 to 31.12.2022 RM</b>
Current tax expense:				
- Malaysian tax for the financial year	880,082	1,643,515	-	-
- Under provision in the previous financial year	63,112	52,586	-	-
	<b>943,194</b>	<b>1,696,101</b>	<b>-</b>	<b>-</b>
Deferred tax expense (Note 16):				
- Origination and reversal of temporary differences	(25,000)	28,000	-	-
- (Over)/Under provision in the previous financial year	(4,000)	1,000	-	-
	<b>(29,000)</b>	<b>29,000</b>	<b>-</b>	<b>-</b>
Total income tax expense	<b>914,194</b>	<b>1,725,101</b>	<b>-</b>	<b>-</b>

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>1.1.2023 to 31.12.2023 RM</b>	<b>1.1.2022 to 31.12.2022 RM</b>	<b>1.1.2023 to 31.12.2023 RM</b>	<b>31.3.2022 to 31.12.2022 RM</b>
Profit/(Loss) before taxation	1,866,570	6,047,047	(574,160)	(97,823)
Tax at the statutory tax rate of 24% (2022 – 24%)	447,977	1,451,291	(137,798)	(23,478)
Tax effects of:				
Non-deductible expenses	405,968	220,224	137,798	23,478
Differential in tax rate of foreign subsidiary	1,137	-	-	-
Under provision of current tax expense in the previous financial year	63,112	52,586	-	-
(Over)/Under provision of deferred taxation in the previous financial year	(4,000)	1,000	-	-
	<b>914,194</b>	<b>1,725,101</b>	<b>-</b>	<b>-</b>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31.12.2022 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.



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**25. EARNINGS PER SHARE**

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	<b>THE GROUP</b>	
	<b>1.1.2023</b>	<b>1.1.2022</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>
Profit after taxation attributable to owners of the Company (RM)	975,121	4,321,946
Weighted average number of ordinary shares in issue	330,690,411	288,000,000 #
Basic earnings per share (sen)	0.29	1.50

# For computation of earnings per share for the financial year ended 31 December 2022, it is assumed that the number of ordinary shares arising from the acquisition of subsidiary were in issue throughout the financial year.

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares during the financial year.

**26. ACQUISITION OF A SUBSIDIARY**

On 28 July 2023, the Company acquired 80% equity interests in Guangxi Nan Yang. The acquisition of this subsidiary is to enable the Group to venture into the processing and sale of raw clean edible bird's nest in the PRC.

(a) Fair Value of Purchase Consideration

	<b>THE GROUP</b>
	<b>1.1.2023</b>
	<b>to</b>
	<b>31.12.2023</b>
	<b>RM</b>
Total purchase consideration	1

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**26. ACQUISITION OF A SUBSIDIARY (CONT'D)**

(b) Identifiable Assets Acquired and Liabilities Assumed

	<b>THE GROUP</b> <b>1.1.2023</b> <b>to</b> <b>31.12.2023</b> <b>RM</b>
Property, plant and equipment	246,248
Cash and bank balances	101,843
Trade and other receivables	254,370
Inventories	1,703,137
Trade and other payables	(2,547,183)
	(241,585)
Fair value of net identified liabilities assumed	(241,585)
Add: Non-controlling interest, measured at the proportionate share of the net identified liabilities	48,317
Add: Intangible asset on consolidation (Note 7)	193,269
	1
Total purchase consideration	1

(c) Cash Flows Arising from Acquisition

	<b>THE GROUP</b> <b>1.1.2023</b> <b>to</b> <b>31.12.2023</b> <b>RM</b>
Purchase consideration settled in cash	1
Less: Cash and bank balances of subsidiary acquired	(101,843)
	1
Net cash inflow from the acquisition of subsidiary	101,842

The Group has incurred acquisition-related costs of RM102,018 related to legal fee and due diligence costs. These expenses were recognised in "Administrative Expenses" line item of the consolidated statement of profit or loss and other comprehensive income.

(d) Impact of Acquisition on the Group's Results

The acquired subsidiary has contributed the following results to the Group:-

	<b>THE GROUP</b> <b>1.1.2023</b> <b>to</b> <b>31.12.2023</b> <b>RM</b>
Revenue	2,267,794
Loss after taxation	(113,723)
	(113,723)

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation would have been RM68,451,730 and RM935,922 respectively.

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27. 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:-

	THE GROUP		THE COMPANY	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
<b>Property, Plant and Equipment</b>				
Cost of property, plant and equipment purchased (Note 6)	1,062,405	97,307	7,480	-
Acquired through hire purchase arrangement	(425,000)	-	-	-
	<b>637,405</b>	<b>97,307</b>	<b>7,480</b>	<b>-</b>
<b>Right-of-use Assets</b>				
Cost of right-of-use assets acquired (Note 8)	3,911,106	-	-	-

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

	THE GROUP		THE COMPANY	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
Payment of short-term leases	67,701	20,970	20,000	-

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

THE GROUP	Term Loans RM	Bankers' Acceptances RM	Hire Purchase Payable RM	Total RM
<b>31.12.2023</b>				
At 1 January	1,982,721	2,422,000	-	4,404,721
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	754,200	3,589,000	425,000	4,768,200
Repayment of principal	(66,217)	(2,422,000)	(51,415)	(2,539,632)
Repayment of interests	(101,177)	(108,999)	(11,825)	(222,001)
	586,806	1,058,001	361,760	2,006,567
<u>Other Changes</u>				
Interest expense recognised in profit or loss	101,177	108,999	11,825	222,001
At 31 December	<b>2,670,704</b>	<b>3,589,000</b>	<b>373,585</b>	<b>6,633,289</b>

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

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

<b>THE GROUP</b>	<b>Term Loans RM</b>	<b>Bankers' Acceptances RM</b>	<b>Total RM</b>
<b>31.12.2022</b>			
At 1 January	2,522,232	1,000,000	3,522,232
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	-	2,422,000	2,422,000
Repayment of principal	(539,511)	(1,000,000)	(1,539,511)
Repayment of interests	(91,740)	(73,849)	(165,589)
	(631,251)	1,348,151	716,900
<u>Other Changes</u>			
Interest expense recognised in profit or loss	91,740	73,849	165,589
At 31 December	1,982,721	2,422,000	4,404,721
<b>THE COMPANY</b>			
<b>31.12.2023</b>			
At 1 January		58,727	58,727
<u>Changes in Financing Cash Flows</u>			
Repayment of advances		(58,727)	(58,727)
At 31 December		-	-
<b>31.12.2022</b>			
At 31 March (date of incorporation)		-	-
<u>Changes in Financing Cash Flows</u>			
Advances received		58,727	58,727
At 31 December		58,727	58,727

NOTES TO THE FINANCIAL STATEMENTS  
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(CONT'D)

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

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

	THE GROUP		THE COMPANY	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
Fixed deposits with licensed banks	1,509,250	500,000	1,000,000	-
Cash and bank balances	21,424,261	8,998,619	7,028,019	12,805
	22,933,511	9,498,619	8,028,019	12,805
Less: Fixed deposit pledged to a licensed bank	(509,250)	(500,000)	-	-
	22,424,261	8,998,619	8,028,019	12,805

**28. RELATED PARTY DISCLOSURES**

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

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

	THE GROUP		THE COMPANY	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
<b>Subsidiary</b>				
Rental expenses	-	-	20,000	-
<b>Corporation connected to a director of the Group</b>				
Purchase of goods	-	1,169,200	-	-

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

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## 29. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- Fees	258,000	30,000	258,000	30,000
- Salaries, bonuses and other benefits	441,937	421,542	12,000	-
- Defined contribution plans	51,120	46,800	-	-
	751,057	498,342	270,000	30,000
<b>(b) Other key management personnel</b>				
Short-term employee benefits	157,656	212,427	-	-
Defined contribution plans	18,846	23,067	-	-
	176,502	235,494	-	-

## 30. 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

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	THE GROUP	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Customer A group of companies*	37,729,389	53,982,972
Customer B group of companies*	12,401,293	7,557,028

\* Comprised of two companies which are under common management.

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**31. CAPITAL COMMITMENTS**

	<b>THE GROUP</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Purchase of properties	-	2,664,000
Acquisition of 80% equity interest in Guangxi Nan Yang	-	248,000
Capital contribution on the 80% equity interest in Guangxi Nan Yang	1,290,400	2,572,000
	<u>1,290,400</u>	<u>5,484,000</u>

**32. FINANCIAL INSTRUMENTS**

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

**32.1 FINANCIAL RISK MANAGEMENT POLICIES**

The 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 the respective functional currencies within the Group. The currencies giving rise to this risk is primarily Renminbi or Chinese Yuan ("RMB") and United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The 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*

<b>THE GROUP</b>	<b>RMB</b>	<b>USD</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>31.12.2023</b>			
<u>Financial Assets</u>			
Trade receivables	3,147,926	261,501	3,409,427
Deposit	268,478	-	268,478
Bank balances	1,870,568	161	1,870,729
	<u>5,286,972</u>	<u>261,662</u>	<u>5,548,634</u>
<u>Financial Liabilities</u>			
Trade payables	1,157,955	-	1,157,955
Other payables and accruals	120,716	-	120,716
	<u>1,278,671</u>	<u>-</u>	<u>1,278,671</u>
Currency Exposure	<u>4,008,301</u>	<u>261,662</u>	<u>4,269,963</u>



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

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

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

THE GROUP	RMB RM	USD RM	Total RM
<b>31.12.2022</b>			
<u>Financial Assets</u>			
Trade receivables	2,286,850	-	2,286,850
Bank balances	214,790	-	214,790
	2,501,640	-	2,501,640
Currency Exposure	2,501,640	-	2,501,640

*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 reporting period, with all other variables held constant:-

	THE GROUP	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
<b>Effects on Profit After Taxation</b>		
RMB/RM – strengthened by 5% (31.12.2022: 5%)	+152,315	+95,062
RMB/RM – weakened by 5% (31.12.2022: 5%)	-152,315	-95,062
USD/RM – strengthened by 5% (31.12.2022: Nil)	+9,943	-
USD/RM – weakened by 5% (31.12.2022: Nil)	-9,943	-
	-	-

(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 exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the financial year are disclosed in Notes 19 and 21 to the financial statements.

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32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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 at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Effects on Profit After Taxation		
Increase of 50 basis points (2022: 50 basis points)	-23,787	-16,738
Decrease of 50 basis points (2022: 50 basis points)	+23,787	+16,738

(ii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manage its exposures 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.

Also, the Company's exposure to credit risk includes corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to serve its loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 (31.12.2022 – 2) customers which constituted approximately 85% (31.12.2022 – 100%) of its trade receivables 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 at the end of the reporting period as follows:-

	THE GROUP	
	31.12.2023 RM	31.12.2022 RM
PRC	3,147,926	2,286,850
Malaysia	99,079	-
Vietnam	261,502	-
	<u>3,508,507</u>	<u>2,286,850</u>

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

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

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

(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 statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to a subsidiary as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group has a 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 the financial assets at amortised cost are credit impaired.

The gross carrying amounts of 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.

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 90 days past due.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

*Inputs, assumptions and techniques used for estimating impairment losses*

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

The Group measures the expected credit losses of 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.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

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32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)

*Inputs, assumptions and techniques used for estimating impairment losses (Cont'd)*

*Allowance for Impairment Losses*

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
<b>THE GROUP</b>				
<b>31.12.2023</b>				
Current (not past due)	3,460,447	-	-	3,460,447
1 to 30 days past due	48,060	-	-	48,060
More than 90 days past due	262,547	(262,547)	-	-
	3,771,054	(262,547)	-	3,508,507
<b>31.12.2022</b>				
Current (not past due)	2,286,850	-	-	2,286,850
More than 90 days past due	262,547	(262,547)	-	-
	2,549,397	(262,547)	-	2,286,850

The movements in the loss allowances in respect of the trade receivables is disclosed in Note 9 to the financial statements.

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.

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

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

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

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

Other Receivables (Cont'd)

*Allowance for Impairment Losses*

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

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these licensed banks 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.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to a subsidiary are financial guarantee contract.

*Inputs, assumptions and techniques used for estimating impairment losses*

The Company closely monitors the subsidiary' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

*Allowance for Impairment Losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

**(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.

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32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

*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 Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 years RM	Over 5 years RM
<b>THE GROUP</b>						
<b>31.12.2023</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	2,347,031	2,347,031	2,347,031	-	-
Other payables and accruals	-	365,886	365,886	365,886	-	-
Term loans	4.82	2,670,704	4,051,310	207,120	1,035,600	2,808,590
Bankers' acceptances	4.85	3,589,000	3,589,000	3,589,000	-	-
Hire purchase payable	4.41	373,585	411,060	94,860	316,200	-
		9,346,206	10,764,287	6,603,897	1,351,800	2,808,590
<b>31.12.2022</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	1,022,850	1,022,850	1,022,850	-	-
Other payables and accruals	-	280,430	280,430	280,430	-	-
Term loans	4.55	1,982,721	3,127,626	152,580	762,900	2,212,146
Bankers' acceptances	5.11	2,422,000	2,422,000	2,422,000	-	-
		5,708,001	6,852,906	3,877,860	762,900	2,212,146

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32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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):-

THE COMPANY	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 years RM	Over 5 years RM
<b>31.12.2023</b>						
<u>Non-derivative Financial Liabilities</u>						
Accruals	-	66,500	66,500	66,500	-	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	5,586,310	2,873,880	674,400	2,038,030
		66,500	5,652,810	2,940,380	674,400	2,038,030
<b>THE COMPANY</b>	<b>Weighted Average Effective Interest Rate %</b>	<b>Carrying Amount RM</b>	<b>Contractual Undiscounted Cash Flows RM</b>	<b>Within 1 Year RM</b>	<b>1 – 5 years RM</b>	<b>Over 5 years RM</b>
<b>31.12.2022</b>						
<u>Non-derivative Financial Liabilities</u>						
Amount owing to a subsidiary	-	58,727		58,727	58,727	58,727
Accruals	-	52,000		52,000	52,000	52,000
		110,727		110,727	110,727	110,727



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

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

**32.2 CAPITAL RISK MANAGEMENT**

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company 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 and the Company manage their 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 and the Company include within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest.

The debt-to-equity ratio of the Group and of the Company at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

**32.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	THE GROUP		THE COMPANY	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Trade and other receivables (Note 9)	3,777,284	2,286,850	-	-
Fixed deposits with licensed banks (Note 11)	1,509,250	500,000	1,000,000	-
Cash and bank balances	21,424,261	8,998,619	7,028,019	12,805
	<u>26,710,795</u>	<u>11,785,469</u>	<u>8,028,019</u>	<u>12,805</u>
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Trade and other payables (Note 17)	2,712,917	1,303,280	66,500	52,000
Term loans (Note 21)	2,670,704	1,982,721	-	-
Hire purchase payable (Note 20)	373,585	-	-	-
Bankers' acceptances (Note 19)	3,589,000	2,422,000	-	-
	<u>9,346,206</u>	<u>5,708,001</u>	<u>66,500</u>	<u>52,000</u>

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

	THE GROUP	
	1.1.2023 to 31.12.2023 RM	31.3.2022 to 31.12.2022 RM
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Net gain/(losses) recognised in profit or loss	157,689	(182,932)
<b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(222,001)	(165,589)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

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

**32.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)**

	<b>THE COMPANY</b>	
	<b>1.1.2023</b>	<b>31.3.2022</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Financial Assets</b>		
Amortised Cost		
Net gain recognised in profit or loss	129,832	-

**32.5 FAIR VALUE INFORMATION**

The fair values of the financial assets and financial liabilities of the Group which 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:-

<b>THE GROUP</b>	<b>Fair Value of Financial Instruments Not Carried at Fair Value Level 2 RM</b>	<b>Total Fair Value RM</b>	<b>Carrying Amount RM</b>
<b>31.12.2023</b>			
<u>Financial Liabilities</u>			
Term loans	2,670,704	2,670,704	2,670,704
<hr/>			
<b>31.12.2022</b>			
<u>Financial Liabilities</u>			
Term loans	1,982,721	1,982,721	1,982,721
<hr/>			

**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 rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company had issued the Prospectus on 30 June 2023 for the following:-

**i. Public issue**

The Public Issue of 98,000,000 new shares, representing approximately 25.39% of the enlarged issued share capital of the Company at an issue price of RM0.21 per share allocated in the following manner:-

- 19,300,000 new shares made available for application by the Malaysian Public;
- 18,678,000 new shares made available for application by the eligible directors, employees and persons who have contributed to the success of the Group; and
- 60,022,000 new shares made available for application by way of private placement to selected investors.

**ii. Listing**

The admission of the Company to the Official List of Bursa Securities on 25 July 2023 and the listing of and quotation for the entire enlarged issued share capital of the Company comprising 386,000,000 shares on the ACE Market of Bursa Securities.

- (b) On 9 May 2023, the Company has executed an equity transfer agreement with the vendor of Guangxi Nan Yang (a company incorporated in the PRC) to acquire 80% equity interests in Guangxi Nan Yang at the purchase consideration of RMB540,000 (equivalent to RM345,496). Upon the completion of the acquisition on 28 July 2023, Guangxi Nan Yang became 80% owned subsidiary of the Company. As stipulated in the equity transfer agreement, the Company has a commitment of capital contribution in share capital of Guangxi Nan Yang of RMB4,000,000. The Company has contributed a sum of RMB2,000,000 (equivalent to RM1,276,400) into Guangxi Nan Yang during the financial year and contributed the remaining capital contribution of RMB2,000,000 (equivalent to RM1,292,400) on 19 January 2024.

**34. COMPARATIVE FIGURES**

- (a) The comparative figures of the Group were presented based on the financial statements of subsidiaries which were accounted for by using the merger method of accounting as these subsidiaries were under common control by the same parties both before and after the acquisition by the Company, and that control is not transitory.
- (b) The comparative figures of the Company covered for the financial period from 31 March 2022 (date of incorporation) to 31 December 2022. Consequently, the comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 12-months period ended 31 December 2023.
- (c) The following figures have been reclassified to conform with the presentation of the current financial year :-

	<b>As Previously Reported RM</b>	<b>As Restated RM</b>
<u>Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract)</u>		
Cost of sales	58,911,458	58,947,065
Selling and distribution expenses	100,879	65,272

## LIST OF PROPERTIES

Registered / Beneficial Owner	Title Details / Property Address	Description and Existing use	Category of land use / Tenure of the property	Age of buildings	Year of acquisition	Date of valuation	Land / Gross built-up area	Net book value as at 31 December 2023 (RM'000)
MBN Enterprise	<p><u>Title Details:</u> PN 15253, Lot 505, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 17, 17-1 &amp; 17-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for birds' nest.</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2020	8 July 2019	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	495
MBN Enterprise	<p><u>Title Details:</u> PN 15252, Lot 506, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 19, 19-1 &amp; 19-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for bird's nest.</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2020	8 July 2019	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	495

LIST OF PROPERTIES  
(CONT'D)

Registered / Beneficial Owner	Title Details / Property Address	Description and Existing use	Category of land use / Tenure of the property	Age of buildings	Year of acquisition	Date of valuation	Land / Gross built-up area	Net book value as at 31 December 2023 (RM'000)
MBN Enterprise	<p><u>Title Details:</u> PN 15251, Lot 507, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 21, 21-1 &amp; 21-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for birds' nest.</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2018	11 July 2019	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,771 sq. feet</p>	421
MBN Enterprise	<p><u>Title Details:</u> PN 15290, Lot 508, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 23, 23-1 &amp; 23-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for birds' nest.</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2021	13 October 2021	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	387
MBN Enterprise	<p><u>Title Details:</u> PN 15289, Lot 509, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 25, 25-1 &amp; 25-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey shop office (corner lot).</p> <p><u>Existing use:</u> Office, collection centre, processing and packaging facility and warehouse/ store for birds' nest.</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2021	30 August 2023	<p><u>Land size:</u> 1,389 sq. feet</p> <p><u>Built-up area:</u> 3,734 sq. feet</p>	871

LIST OF PROPERTIES  
(CONT'D)

Registered / Beneficial Owner	Title Details / Property Address	Description and Existing use	Category of land use / Tenure of the property	Age of buildings	Year of acquisition	Date of valuation	Land / Gross built-up area	Net book value as at 31 December 2023 (RM'000)
MBN Enterprise	<p><u>Title Details:</u> PN 15259, Lot 481, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 32, 32-1 &amp; 32-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey shop office (corner lot).</p> <p><u>Existing use:</u> Under renovation</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2023	4 September 2023	<p><u>Land size:</u> 2,250 sq. feet</p> <p><u>Built-up area:</u> 6,750 sq. feet</p>	857
MBN Enterprise	<p><u>Title Details:</u> PN 8258, Lot 497, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 1, 1-1 &amp; 1-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey shop office (corner lot).</p> <p><u>Existing use:</u> Under renovation</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2023	16 February 2023	<p><u>Land size:</u> 1,938 sq. feet</p> <p><u>Built-up area:</u> 5,324 sq. feet</p>	661
MBN Enterprise	<p><u>Title Details:</u> PN 8259, Lot 498, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 3, 3-1 &amp; 3-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Under renovation</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2023	16 February 2023	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	342

LIST OF PROPERTIES  
(CONT'D)

Registered / Beneficial Owner	Title Details / Property Address	Description and Existing use	Category of land use / Tenure of the property	Age of buildings	Year of acquisition	Date of valuation	Land / Gross built-up area	Net book value as at 31 December 2023 (RM'000)
MBN Enterprise	<p><u>Title Details:</u> PN 15258, Lot 499, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 5, 5-1 &amp; 5-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Under renovation</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2023	16 February 2023	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	342
MBN Enterprise	<p><u>Title Details:</u> PN 15257, Lot 500, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 7, 7-1 &amp; 7-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Under renovation</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2023	16 February 2023	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	342
MBN Enterprise	<p><u>Title Details:</u> PN 15256, Lot 501, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka.</p> <p><u>Postal Address:</u> No. 9, 9-1 &amp; 9-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.</p>	<p><u>Description:</u> One (1) unit 3-storey intermediate terrace shop office.</p> <p><u>Existing use:</u> Under renovation</p>	<p><u>Category of land use:</u> Building</p> <p><u>Express Term:</u> Commercial Building</p> <p><u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094</p>	28 years	2023	16 February 2023	<p><u>Land size:</u> 1,001 sq. feet</p> <p><u>Built-up area:</u> 2,860 sq. feet</p>	342



LIST OF PROPERTIES  
(CONT'D)

Registered / Beneficial Owner	Title Details / Property Address	Description and Existing use	Category of land use / Tenure of the property	Age of buildings	Year of acquisition	Date of valuation	Land / Gross built-up area	Net book value as at 31 December 2023 (RM'000)
MBN Enterprise	<u>Title Details:</u> PN 15255, Lot 502, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka. <u>Postal Address:</u> No. 11, 11-1 & 11-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.	<u>Description:</u> One (1) unit 3-storey intermediate terrace shop office. <u>Existing use:</u> Under renovation	<u>Category of land use:</u> Building <u>Express Term:</u> Commercial Building <u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094	28 years	2023	16 February 2023	<u>Land size:</u> 1,001 sq. feet <u>Built-up area:</u> 2,860 sq. feet	342
MBN Enterprise	<u>Title Details:</u> PN 8260, Lot 503, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka. <u>Postal Address:</u> No. 13, 13-1 & 13-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.	<u>Description:</u> One (1) unit 3-storey intermediate terrace shop office. <u>Existing use:</u> Under renovation	<u>Category of land use:</u> Building <u>Express Term:</u> Commercial Building <u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094	28 years	2023	16 February 2023	<u>Land size:</u> 1,001 sq. feet <u>Built-up area:</u> 2,860 sq. feet	342
MBN Enterprise	<u>Title Details:</u> PN 15254, Lot 504, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka. <u>Postal Address:</u> No. 15, 15-1 & 15-2, Jalan Melaka Raya 26, Taman Melaka Raya, 75000 Melaka, Malaysia.	<u>Description:</u> One (1) unit 3-storey intermediate terrace shop office. <u>Existing use:</u> Under renovation	<u>Category of land use:</u> Building <u>Express Term:</u> Commercial Building <u>Tenure of Property:</u> Leasehold of 99 Years expiring on 24 February 2094	28 years	2023	16 February 2023	<u>Land size:</u> 1,001 sq. feet <u>Built-up area:</u> 2,860 sq. feet	341

# ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

Number of Issued Shares	: 386,000,000
Class of Shares	: Ordinary shares
Voting Rights	: One (1) vote per ordinary share held

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No of Shareholders		% Shareholdings	
Less than 100	0	0.000	0	0.000
100 – 1,000	113	8.780	62,600	0.016
1,001 – 10,000	461	35.820	3,088,800	0.800
10,001 – 100,000	556	43.201	21,139,000	5.476
100,001 – 19,299,999 (*)	152	11.810	73,709,600	19.096
19,300,000 and above (**)	5	0.389	288,000,000	74.612
<b>Total</b>	<b>1,287</b>	<b>100.000</b>	<b>386,000,000</b>	<b>100.000</b>

Notes	*	Less than 5% of the issued share
	**	5% and above of the issued share

## DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name	Shareholdings			
	Direct	%	Indirect	%
Liw Chong Liong	43,200,000	11.192	43,200,000 <sup>(a)</sup>	11.192
Lavernt Chen Vun Wo	129,600,000	33.575	-	-
Chin Chee Cheah	200,000	0.052	-	-
Lee Wei Kong	43,200,000	11.192	-	-
Dato' Dr. Rosini Binti Alias	200,000	0.052	-	-
Dato' Nazipah Binti Jamaludin	200,000	0.052	-	-
Chin Peck Li	200,000	0.052	-	-
Goh Wen Ling	200,000	0.052	-	-

### Notes:-

<sup>(a)</sup> Deemed interest pursuant to Section 8(4)(c) of the Companies Act 2016; held through MLCL Construction Sdn. Bhd.

## SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Shareholdings			
	Direct	%	Indirect	%
Lavernt Chen Vun Wo	129,600,000	33.575	-	-
Lee Wei Kong	43,200,000	11.192	-	-
Liw Chong Liong	43,200,000	11.192	43,200,000 <sup>(a)</sup>	11.192
MLCL Construction Sdn Bhd	43,200,000	11.192	-	-
Gentle Rainbow Sdn Bhd	28,800,000	7.461	-	-

### Notes:-

<sup>(a)</sup> Deemed interest pursuant to Section 8(4)(c) of the Companies Act 2016; held through MLCL Construction Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS  
AS AT 29 MARCH 2024 (CONT'D)

**THIRTY (30) LARGEST SHAREHOLDERS**

No.	Name	No. of Shares Held	%
1.	Lavernt Chen Yun Wo	129,600,000	33.575
2.	Lee Wei Kong	43,200,000	11.192
3.	Liw Chong Liong	43,200,000	11.192
4.	MLCL Construction Sdn Bhd	43,200,000	11.192
5.	Gentle Rainbow Sdn Bhd	28,800,000	7.461
6.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Teo Lay Ban (MY3458)</i>	6,500,000	1.684
7.	Teo Lay Ban	3,572,000	0.925
8.	Yau Tee Horng	2,572,000	0.666
9.	Chew Guan Teck	2,332,000	0.604
10.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Shim Mong Kwok (E-KKU/PPR)</i>	2,285,000	0.592
11.	Lim Tau Wee	1,905,000	0.494
12.	Tan Yau Lam	1,473,800	0.382
13.	Choon Siew Thong	1,469,300	0.381
14.	Chuah Su Chen	1,429,000	0.370
15.	Lee Siek Hsia	1,429,000	0.370
16.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Leow Heng Giap</i>	1,300,000	0.337
17.	Lim Hwi See	1,196,000	0.310
18.	Chan Wah Kim	1,191,000	0.309
19.	Choo Siew Chen	1,191,000	0.309
20.	Gan Hong Liang	1,191,000	0.309
21.	Goldcoin Pavilion Sdn Bhd	1,191,000	0.309
22.	Tan Chin Khiang	1,191,000	0.309
23.	Teo Keng Teck	1,191,000	0.309
24.	Yee Yoke Thai	1,191,000	0.309
25.	M & A Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chow Dai Ying (M&amp;A)</i>	1,100,000	0.285
26.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Yeow Chee Meng (E-TWU)</i>	1,050,000	0.272
27.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Leong Yuet Mooi (8105904)</i>	1,000,000	0.259
28.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd For Ng Yee</i>	1,000,000	0.259
29.	Yap Hong Piow	950,000	0.246
30.	Lau Boon Hien	941,000	0.244
		<b>329,841,100</b>	<b>85.451</b>

# NOTICE OF THE SECOND ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Second Annual General Meeting of the Company will be held at **DoubleTree by Hilton Melaka**, Level 13, Ballroom B, Hatten City, Jalan Melaka Raya 23, 75000 Melaka on Wednesday, 29 May 2024 at 10.00 a.m. to transact the following business:

## AGENDA

### As Ordinary Business

- |   |  |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.                           | <b>Please refer to Note A on this agenda</b> |
| 2. To approve the payment of Directors' fees and benefits of Non-Executive Directors of up to RM670,000.00 from 1 January 2024 until the conclusion of the next Annual General Meeting. | <b>Ordinary Resolution 1</b>                 |
| 3. To re-elect the following Directors who retire pursuant to Clause 95.1 of the Company's Constitution: -  |  |
| (a) Mr. Lavernt Chen Yun Wo   | <b>Ordinary Resolution 2</b>                 |
| (b) Mr. Liw Chong Liong   | <b>Ordinary Resolution 3</b>                 |
| (c) Mr. Lee Wei Kong  | <b>Ordinary Resolution 4</b>                 |
| 4. To re-appoint Crowe Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.                                       | <b>Ordinary Resolution 5</b>                 |

### As Special Business

To consider and, if thought fit, pass with or without modifications, the following Resolutions: -

## ORDINARY RESOLUTIONS

- |   |                              |
|---|------------------------------|
| 5. <b>Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016</b> | <b>Ordinary Resolution 6</b> |
|---|------------------------------|

"**THAT** subject always to the Companies Act, 2016 ("**Act**") Constitution of the Company and approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company at the time of issue and the Directors are hereby further empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("**Bursa Securities**") and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company."

**AND THAT** pursuant to Section 85 of the Companies Act, 2016 read together with Clause 52 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND FURTHER THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company".

## NOTICE OF SECOND ANNUAL GENERAL MEETING (CONT'D)

6. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Act.

By Order Of The Board  
**MYMBN BERHAD**

**WONG YOUN KIM (MAICSA 7018778)**  
**SSM PRACTISING CERTIFICATE NO.: 201908000410**

**LIM LI HEONG (MAICSA 7054716)**  
**SSM PRACTISING CERTIFICATE NO.: 202008001981**

**WONG MEE KIAT (MAICSA 7058813)**  
**SSM PRACTISING CERTIFICATE NO.: 202008001958**  
**Company Secretaries**

Kuala Lumpur  
29 April 2024

**Notes: -**

1. *A proxy may but need not be a member of the Company.*
2. *To be valid, this form, duly completed must be deposited at the Registered Office of the Company, Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, not less than 24 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy/proxies have been duly completed by the member(s).*
3. *A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.*
7. *Only depositors whose names appear in the Record of Depositors as at 22 May 2024 shall be entitled to attend the Second AGM.*

**EXPLANATORY NOTES: -**

**A. Audited Financial Statements for the Financial Year ended 31 December 2023**

*Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 ("**Act**") does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.*

**B. Ordinary Resolution 1 – Directors' fees and benefits of Non-Executive Directors**

*Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. The Board of Directors is seeking approval from the shareholders for the payment of Directors' fees and benefits payable to Non-Executive Directors for the period from 1 January 2024 until the conclusion of the next AGM of the Company in 2025.*

## NOTICE OF SECOND ANNUAL GENERAL MEETING (CONT'D)

### C. Ordinary Resolution 6 - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act

*The Ordinary Resolution proposed under item 5, is a new mandate and if passed, will authorise the Directors of the Company to issue and allot shares up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.*

*The mandate is to provide flexibility to the Company to issue and allot new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to eliminate any delay and avoid incurring additional cost. The purpose of this mandate is to facilitate the Company to undertake possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.*

*The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 52 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 52 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.*

#### **Personal data privacy:**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:*

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"),*
- (ii) warrants that where the member disclose the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained prior consent of such proxy(ies) and/or representative(s) for the Purposes, and*
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

#### **STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING**

1. Second Annual General Meeting of the Company will be held at **DoubleTree by Hilton Melaka**, Level 13, Ballroom B, Hatten City, Jalan Melaka Raya 23, 75000 Melaka on Wednesday, 29 May 2024 at 10.00 a.m.
2. The Directors who are standing for re-election at the Second Annual General Meeting of the Company pursuant to Clause 95.1 of the Company's Constitution are:
  - (i) Mr. Lavernt Chen Vun Wo
  - (ii) Mr. Liw Chong Liong
  - (iii) Mr. Lee Wei Kong

The details of the above Directors seeking re-election are set out in the Board of Directors' Profile as disclosed on page 7 to 14 of this Annual Report.

3. The details of the above Directors' interest in the securities of the Company are stated on page 116 of this Annual Report.
4. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2023 are disclosed in the Corporate Governance Overview Statement set out on page 38 of this Annual Report.
5. The Directors have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.



**MYMBN BERHAD**

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

Number of Shares	
CDS Account No.	

**FORM OF PROXY**

I/We, \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_ being a Member/Members  
(FULL ADDRESS)

of **MYMBN Berhad (the "Company")** hereby appoint \_\_\_\_\_  
(FULL NAME)

NRIC/Passport No. \_\_\_\_\_ Tel No. \_\_\_\_\_ Email address \_\_\_\_\_

of \_\_\_\_\_ or failing whom,  
(FULL ADDRESS)

\_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_ Tel No. \_\_\_\_\_  
(FULL NAME)

Email address \_\_\_\_\_ of \_\_\_\_\_  
(FULL ADDRESS)

or failing whom, the CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us and on my/our behalf at the Second Annual General Meeting of the Company to be held at **DoubleTree by Hilton Melaka**, Level 13, Ballroom B, Hatten City, Jalan Melaka Raya 23, 75000 Melaka on Wednesday, 29 May 2024 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below: -

NO.	RESOLUTIONS	FOR	AGAINST
Resolution 1	Approval of payment of Directors' fees and benefits of Non-Executive Directors of up to RM670,000.00 from 1 January 2024 until the conclusion of the next Annual General Meeting		
Resolution 2	Re-election of Mr. Lavernt Chen Vun Wo		
Resolution 3	Re-election of Mr. Liw Chong Liong		
Resolution 4	Re-election of Mr. Lee Wei Kong		
Resolution 5	Re-appointment of Crowe Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration		
Resolution 6	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		

*[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his(her) discretion.]*

*\*Strike out whichever is not desired.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Signature of Member / Common Seal

Fold this flap for sealing

**Notes: -**

1. A proxy may but need not be a member of the Company.
2. To be valid, this form, duly completed must be deposited at the Registered Office of the Company, Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, not less than 24 hours before the time for holding the meeting. Provided That in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy/proxies have been duly completed by the member(s).
3. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.
7. Only depositors whose names appear in the Record of Depositors as at 22 May 2024 shall be entitled to attend the Second AGM.

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AFFIX  
STAMP

The Company Secretary  
**MYMBN BERHAD** [Registration No. 202201011844 (1457541-U)]  
LEVEL 5, TOWER 8, AVENUE 5, HORIZON 2  
BANGSAR SOUTH CITY  
59200 KUALA LUMPUR

1st fold here

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 April 2023.