

MYMBN BERHAD (“MYMBN” OR “COMPANY”)

PROPOSED ACQUISITION OF 70.00% EQUITY INTEREST IN SWALLOWS HOUSE ENTERPRISE SDN. BHD. FROM GOH TIONG SHENG FOR A TOTAL CONSIDERATION OF RM2,588,000 (“PROPOSED ACQUISITION”)

1. INTRODUCTION

The Board of Directors of MYMBN Berhad (“**Board**”) (“**MYMBN**”) wishes to announce that MYMBN had on 24 January 2025 entered into a Share Sale and Purchase Agreement (“**SSA**”) with Goh Tiong Sheng (“**Vendor**”) to acquire 70 ordinary shares representing 70.00% of the enlarged issued share capital of Swallows House Enterprise Sdn Bhd (“**SHESB**”) [Registration No. 201001028681 (912600-H)] (“**Sale Shares**”) to be fully satisfied via cash consideration of RM2,588,000 (“**Purchase Consideration**”) (“**Proposed Acquisition**”).

2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition involves the acquisition by MYMBN from the Vendor of the 70.00% equity interest in SHESB for the Purchase Consideration free of all the liabilities, mortgage, charge, pledge, lien, assignment, hypothecation, security interest or trust arrangement or encumbrances together with all rights, benefits and entitlements attached thereto subject to the terms and conditions of the SSA.

The salient terms of the SSA are set out in Section 7 of this announcement.

Upon completion of the Proposed Acquisition, SHESB will become a 70.00% owned subsidiary of MYMBN.

3. INFORMATION OF SHESB

SHESB was incorporated on 20th August 2010 as a private company incorporated in Malaysia under Companies Act 1965 and having its registered address at No. 39, Lot 2248, Block 71 KCLD, Ground Floor, M10 Commercial Centre, Off Batu 10, Jalan Penrissen, 93250 Kuching, Sarawak. SHESB is principally engaged in the processing of raw bird’s nests and distribution of processed and unprocessed bird’s nests.

As at the date of this announcement, the issued share capital of SHESB is RM100 comprising of 100 ordinary shares.

The Shareholders of SHESB and their respective shareholdings are as follows.

Name	No. of shares	Percentage (%)
Goh Tiong Sheng	70	70.00
Eng Guek Lan	20	20.00
Yap Ah Yong	10	10.00
Total	100	100.00

The Directors of SHESB are Eng Guek Lan, Yap Ah Yong, Goh Tiong Sheng, Sim Chun Eir and Tan Kai Siang.

Upon completion of the Proposed Acquisition, the shareholders of SHESB and their respective shareholdings will be as follows: -

Shareholders	No. of Shares	Percentage (%)
MYMBN Berhad	70	70.00
Eng Guek Lan	20	20.00
Yap Ah Yong	10	10.00
Total	100	100.00

The summary of financial statement of SHESB based on the audited financial statement for the Financial Year Ended ("FYE") 31 December 2023 is as set below:

	Audited
	FYE 31 December 2023
	RM
Revenue	9,126,395
Gross profit	767,607
Profit before tax (" PBT ")	282,227
Profit after tax (" PAT ")	283,497
Total assets	4,049,373
Total liabilities	4,672,174
Share capital	100
Net Liabilities	622,901
Total borrowings	316

4. BASIS AND JUSTIFICATION OF THE PURCHASE CONSIDERATION

The Purchase Consideration for the Sale Shares was arrived at on a willing-buyer willing-seller basis, after taking into consideration the following:

- (i) the price to earnings multiple of 9.14 times based on the audited PAT of SHESB of RM283,497 for the FYE 31 December 2023;
- (ii) rationale and prospects for the Proposed Acquisition as set out in Section 8 of this announcement; and
- (iii) the future earnings potential and growth of SHESB.

5. SOURCE OF FUND

The Proposed Acquisition will be fully satisfied in cash, whereby, the Company intends to fund the Proposed Acquisition via internally generated funds.

6. LIABILITIES TO BE ASSUMED

MYMBN and its subsidiaries (the “**Group**”) will not assume any liabilities, including contingent liabilities and guarantees pursuant to the Proposed Acquisition. For avoidance of doubt, the existing liabilities of SHESB will be settled by SHESB in accordance with the terms of the SSA prior to the completion of the Proposed Acquisition.

7. KEY SALIENT TERMS OF THE SSA

7.1 Condition Precedent

- (a) The obligations of the Company to complete the Proposed Acquisition shall be conditional upon the Company being satisfied, on or before the cut-off date as stated in the SSA, with the results of the financial and legal due diligence to be carried out by the Company;
- (b) The Company shall promptly and expeditiously take such steps as are reasonably necessary to carry out and complete the due diligence review on the SHESB and inform the Vendor in writing of its satisfaction of the due diligence result on or before the cut-off date failing which either party shall be entitled to treat the SSA as lapsed and the Vendor shall refund the Deposit and Further Sum (as defined herein) to the Company and thereafter each of the parties shall be released and discharged from their respective obligations and shall have no claim against the other for costs, damages, compensation or otherwise arising from the SSA save and except for any antecedent breach.

7.2 Consideration

- (a) The Vendor shall sell the Sale Shares and the Company shall, in reliance upon the warranties, representations, undertakings, agreements and indemnities made and given by the Vendor herein contained, purchase the Sale Shares free from the encumbrances but with the entitlements and upon the terms and subject to the conditions hereinafter contained.
- (b) The Purchase Consideration shall be payable as follows:
 - (i) Prior to the date of the SSA, the Company had paid a sum of RM262,800 as a refundable deposit (“**Deposit**”);
 - (ii) Upon signing of the SSA, the Company shall pay a sum of RM254,800 (“**Further Sum**”); and
 - (iii) The balance Purchase Consideration of RM2,070,400 shall be payable by the Company to the Vendor on the completion date in accordance with the SSA.

8. RATIONALE AND PROSPECTS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition enables the Company to diversify its product portfolio by gaining access to local production of Raw Clean Edible Birds’ Nests (“**RCEBN**”) in East Malaysia. This strategic move not only facilitates the export of high-quality RCEBN to China and other international markets but also strengthens the Company’s presence in the global market.

The Company has identified SHESB as a viable and complementary business venture that aligns with its strategic objectives. This acquisition is anticipated to create an additional income stream, contributing to the enhancement of the Company’s overall profitability.

By integrating SHESB into the MYMBN Group, the Company is well-positioned to achieve greater operational synergies, leverage local production capabilities, and cater to the increasing global demand for RCEBN. This initiative reinforces MYMBN's strategic objective to diversify its business operations, unlock new revenue opportunities, and solidify its leadership position in the industry.

9. RISK FACTORS

9.1 Non-Completion of the Proposed Acquisition

The completion of the Proposed Acquisition is subject to, amongst others, the fulfilment of the conditions precedent as set out in the SSA. In the event any of the conditions precedent are not fulfilled, the Proposed Acquisition may not be completed, which may result in the failure of MYMBN to achieve the objectives and benefits of the Proposed Acquisition.

Notwithstanding that, the Board shall use their best endeavors to ensure there is no delay in fulfilling all the conditions precedent set out in the SSA within the stipulated timeframe.

9.2 Investment risk

Although the Proposed Acquisition is expected to contribute positively to the earnings of the MYMBN Group, there is no guarantee that the anticipated benefits from the Proposed Acquisition will be realised or that SHESB would be able to generate sufficient returns. There is also no guarantee of the successful integration of the business of the SHESB with the MYMBN Group arising from the Proposed Acquisition as well as the realisation of the expected business synergies from the Proposed Acquisition. Nevertheless, the management of MYMBN will ensure that the necessary measures are implemented to address potential risks and challenges associated with the Proposed Acquisition. The Board remains committed to closely monitoring the performance of SHESB post-acquisition and taking proactive steps to maximise the value of this investment for the MYMBN Group.

10. EFFECTS OF THE PROPOSED ACQUISITION

The Proposed Acquisition will not have any material impact on the issued share capital and substantial shareholders shareholdings of MYMBN as it does not involve the issuance of any shares in MYMBN.

The Proposed Acquisition is not expected to have any material impact on the gearing and net assets of MYMBN as the Purchase Consideration will be funded entirely via internal cash balances of the MYMBN Group.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the earnings and earnings per share of MYMBN Group upon completion of the Proposed Acquisition.

11. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors and major shareholders of MYMBN and/or persons connected to them has any interest, either directly or indirectly in the Proposed Acquisition.

12. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is 20.32%, calculated based on the audited consolidated financial statements of MYMBN for the FYE 31 December 2023.

13. STATEMENT BY DIRECTORS

The Board, having considered all aspects of the Proposed Acquisition, including the terms of the SSA, rationale and benefits of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

14. APPROVAL REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of MYMBN or any other regulatory authorities.

15. ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances and fulfillment of the conditions precedent as set out in the SSA, the Board expects the Proposed Acquisition to be completed by first quarter of 2025.

16. DOCUMENT AVAILABLE FOR INSPECTION

The SSA will be made available for inspection at the registered office of MYMBN at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

The announcement is dated 24 January 2025.