NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF ENEST GROUP BERHAD ("ENEST" OR THE "COMPANY") DATED 26 JUNE 2026 ("ELECTRONIC PROSPECTUS")

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

Website

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

Availability and Location of Paper/Printed Prospectus

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

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

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

Close of Application

Applications will be accepted from 10.00 a.m. on 26 June 2026 and will close at 5.00 p.m. on 2 July 2026.

In the event the Closing Date is extended, Enest will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date, and make an announcement on Bursa Securities' website.
The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

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

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

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



ENEST GROUP BERHAD
(201801013622 (1275638-T))
(Incorporated in Malaysia)

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PT 39461, Tingkat 1
Seksyen 7, Bandar Kajang
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ENEST GROUP BERHAD

PROSPECTUS

PROSPECTUS

THIS PROSPECTUS IS DATED 26 JUNE 2026

ENEST GROUP BERHAD

(201801013622 (1275638-T))
(Incorporated in Malaysia)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR TRANSFER LISTING FROM THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") TO THE ACE MARKET OF BURSA SECURITIES COMPRISING:

(I) PUBLIC ISSUE OF 116,250,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- **29,063,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;**
- **8,719,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTOR, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;**
- **72,656,300 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND**
- **5,811,700 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;**

AND

(II) OFFER FOR SALE OF 15,054,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM0.13 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Adviser, Sponsor, Underwriter and Placement Agent

M & A SECURITIES SDN BHD
(197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Bursa Securities has approved our admission to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities. This Prospectus has been registered by Bursa Securities. The approval of the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities and the registration of this Prospectus should not be taken to indicate that Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment. Bursa Securities is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 182.

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

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

Registration No : 201801013622 (1275638-T)

All terms used are defined under "Definitions" commencing from page vii.

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

M & A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

This Prospectus, together with the Application Form, has also been lodged with the ROC, who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group.

Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Approval was obtained from Bursa Securities for the listing of and quotation for our Shares on 17 March 2026. Our admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the SC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review is undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah compliant securities, on the last Friday of May and November.

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

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

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

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

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

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

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Adviser or Issuing House, a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to this Prospectus registered with the Bursa Securities shall prevail.

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

(i) We and our Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;

(ii) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and

(iii) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

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

(i) The Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions or Participating Securities Firms and they shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions or Participating Securities Firms and thereafter communicated or disseminated in any manner to you or other parties; and

(ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

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

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Opening period of the Application	26 June 2026
Closing period of the Application	2 July 2026
Balloting of Application	6 July 2026
Allotment of IPO Shares to successful applicants	13 July 2026
Listing	15 July 2026

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Malay daily newspaper in Malaysia, and announce it on Bursa Securities' website.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used are defined under "Definitions" commencing from page vii.

All references to "Enest" and "Company" in this Prospectus are to Enest Group Berhad (Registration No. 201801013622 (1275638-T)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our Group or our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Managing Director, Executive Director and key senior management as disclosed in this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

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

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All references to dates and times are references to dates and times in Malaysia.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall be construed as reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange as modified by any written law or amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

This Prospectus includes statistical data provided by our Management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates in. This data is taken or derived from information published by industry sources and from internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from our Management. In particular, certain information in this Prospectus is extracted or derived from the IMR Report prepared by PROVIDENCE, the independent market researcher. In compiling their data for the review, PROVIDENCE had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot assure you that the projections will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

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

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

(i) Demand for our products;

(ii) Our business strategies and future plans;

(iii) Our future earnings, cash flows and liquidity; and

(iv) Our ability to pay future dividends.

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

(i) The economic, political and investment environment in Malaysia or China; and

(ii) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

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

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

"Enest" or "Company"	:	Enest Group Berhad (201801013622 (1275638-T))
"Enest Group" or "Group"	:	Enest and its subsidiaries, collectively

Subsidiaries

"Dynamic Transforms"	:	Dynamic Transforms Sdn Bhd (200301004106 (606526-P))
"Enest Marketing"	:	Enest Marketing Sdn Bhd (202101014889 (1415189-U))
"Enest Properties"	:	Enest Properties Sdn Bhd (202001026728 (1383048-W))
"Kang Li"	:	Kang Li Health Sdn Bhd (formerly known as Kang Li Pharmacy Sdn Bhd) (202101005731 (1406030-A))
"Ming Feng"	:	Ming Feng Marketing (M) Sdn Bhd (201501003577 (1128909-P))
"Ye Lin"	:	Ye Lin Industrial (Shanghai) Co., Ltd (91310115MA1K3FWH7W)

Associated company

"Dynamic Bird Nest"	:	Dynamic Bird Nest Sdn Bhd (201901034136 (1343466-H))

GENERAL:

"ACE Market"	:	ACE Market of Bursa Securities
"ACE Market Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"Act"	:	Companies Act, 2016
"ADA"	:	Authorised Depository Agent
"Adviser" or "Sponsor" or "Placement Agent" or "Underwriter"	:	M&A Securities
"Application"	:	Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form"	:	Printed application form for the application of our IPO Shares accompanying this Prospectus
"ATM"	:	Automated teller machine
"Batu Caves Facility"	:	One of our Group's two RCEBN processing facilities located at 13C, 15, 15A, 15B & 15C, Jalan PS 9/2, Prima Selayang, 68100 Batu Caves, Selangor

DEFINITIONS *(Cont'd)*

"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of Enest
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"CAGR"	:	Compounded annual growth rate
"CCC"	:	Certificate of Completion and Compliance or Certificate of Fitness
"CDS"	:	Central Depository System
"CDS Account"	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Central Depositories Act" or "SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"Closing Date"	:	Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
"CMSA"	:	Capital Markets and Services Act, 2007
"Constitution"	:	Our constitution
"COVID-19"	:	Coronavirus disease 2019, an infectious respiratory disease which was a global pandemic
"Depository Rules" or "Rules of Bursa Depository"	:	Rules of Bursa Depository and any appendices thereto
"Director"	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
"EBIT"	:	Earnings before interest and tax
"EBITDA"	:	Earnings before interest, tax, depreciation and amortisation
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application"	:	Application for IPO Shares through a Participating Financial Institution's ATM
"EPS"	:	Earnings per Share
"FBM KLCI"	:	FTSE Bursa Malaysia KLCI, is a capitalisation-weighted stock market index, composed of the largest 30 companies listed on the Main Market of Bursa Securities by full market capitalisation
"FYE"	:	Financial year ended/ending 31 December, as the case may be

DEFINITIONS *(Cont'd)*

"GP"	:	Gross profit
"IFRS"	:	International Financial Reporting Standards
"IMR" or "PROVIDENCE"	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A)), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report titled "Edible Bird's Nest Industry" dated 26 May 2026
"Initial Public Offering" or "IPO"	:	Our initial public offering on the ACE Market comprising the Public Issue and Offer for Sale
"Internet Participating Financial Institution" or "Participating Securities Firm"	:	Participating financial institution or securities firm for Internet Share Application as listed in Section 16.6
"Internet Share Application"	:	Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution or Participating Securities Firm
"IPO Price"	:	Issue/offer price of RM0.13 per Share under our Public Issue and Offer for Sale
"IPO Shares"	:	Issue Shares and Offer Shares, collectively
"IRB"	:	Inland Revenue Board of Malaysia
"Issuing House"	:	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
"Issue Shares"	:	New Shares to be issued under the Public Issue
"Kajang Facility"	:	One of our Group's two RCEBN processing facilities located at No. 2B-G, 2B-M, 2B-2, 2-First Floor, Jalan Semenyih, 43000 Kajang, Selangor
"kg"	:	Kilogram
"LEAP Market"	:	LEAP Market of Bursa Securities
"LEAP Market Listing Requirements"	:	LEAP Market Listing Requirements of Bursa Securities
"Listing"	:	Listing of and quotation for our entire enlarged share capital of RM20,543,772 (prior to capitalisation of estimated listing expenses) comprising 581,250,040 Shares on the ACE Market
"Listing Scheme"	:	Comprising the Public Issue, Offer for Sale and Listing, collectively
"LPD"	:	26 May 2026, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	:	M & A Securities Sdn Bhd (197301001503 (15017-H))

DEFINITIONS *(Cont'd)*

"Main Market"	:	Main Market of Bursa Securities
"Malaysian Public"	:	Malaysian citizens and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia, but excluding our Group's Directors, substantial shareholders and/or associates of our Group's Directors or substantial shareholders (as defined under the ACE Market Listing Requirements)
"Management"	:	Directors and key senior management as at LPD
"Market Day"	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities which may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"MFRS"	:	Malaysian Financial Reporting Standards
"Ming Feng Acquisition"	:	Acquisition by our Company of the entire issued share capital of Ming Feng comprising 10,721,600 shares in Ming Feng from Tan Teh Jie, Tan Teh Sheng, Lee Har Ling, Ng Seng Choy, Chua Kian Heng, Ng Wei Keow, Chen Kwee Foong, Lee Choy Ling, Lok Chyi Yeu, Tan Teh Wee, Tan Teh Yat, Tan Teh Kah, Christopher Tan Yew Leong, Michelle Lim Ying Junn, Liao Xuemin, Yin RongRong, Wu Xiaona, Zu Wenti, Du Feifan, He Fei, and Lau Yee Wu, for an aggregate purchase consideration of RM2,075,000 which was satisfied via the issuance of 20,750,000 new Shares at an issue price of RM0.10 per Share. The Ming Feng Acquisition was completed on 12 September 2018
"MITI"	:	Ministry of Investment, Trade and Industry of Malaysia
"MOH"	:	Ministry of Health of Malaysia
"MyIPO"	:	Intellectual Property Corporation of Malaysia
"NA"	:	Net assets
"NBV"	:	Net book value
"Offer for Sale"	:	Offer for sale of 15,054,000 Offer Shares by our Selling Shareholders at our IPO Price
"Offer Shares"	:	15,054,000 existing Shares to be offered for sale by our Selling Shareholders under our Offer for Sale
"Official List"	:	A list specifying all securities which have been admitted for listing on the ACE Market and not removed
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application as listed in Section 16.5
"PATAMI"	:	Profit after taxation and minority interest

DEFINITIONS *(Cont'd)*

"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"PE Multiple"	:	Price-to-earnings multiple
"Pink Form Allocations"	:	Allocation of 8,719,000 Issue Shares to our eligible Director, employees and persons who have contributed to the success of our Group, which forms part of our Public Issue
"PPE"	:	Property, plant and equipment
"Promoter(s)"	:	Tan Teh Jie, Tan Heng Guan, Tan Teh Sheng and Tan Beng Heng, collectively
"Prospectus"	:	This prospectus dated 26 June 2026 in relation to our IPO
"Public Issue"	:	Public issue of 116,250,000 Issue Shares at our IPO Price
"QC"	:	Quality control
"ROC"	:	Registrar of Companies
"SC"	:	Securities Commission Malaysia
"Selling Shareholder(s)"	:	Tan Heng Guan and Tan Teh Sheng, who are undertaking the Offer for Sale, collectively
"Share(s)"	:	Ordinary share(s) in Enest
"Specified Shareholder(s)"	:	Tan Teh Jie, Tan Heng Guan, Tan Teh Sheng, Tan Beng Heng and Yin RongRong, collectively
"sq ft"	:	Square foot
"Transfer Listing"	:	Collectively, the Withdrawal and Listing
"Underwriting Agreement"	:	Underwriting agreement dated 19 May 2026 entered into between our Company and M&A Securities for the purpose of our IPO
"USA"	:	United States of America
"Withdrawal"	:	Voluntary withdrawal of our listing from the LEAP Market pursuant to Rules 8.05 and 8.06 of the LEAP Market Listing Requirements

CURRENCIES:

"HKD"	:	Hong Kong Dollar
"IDR"	:	Indonesian Rupiah
"RM" or "sen"	:	Ringgit Malaysia and sen respectively
"RMB"	:	Renmimbi or Chinese Yuan
"USD"	:	United States Dollar

TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

"CAIQ"	:	Chinese Academy of Inspection and Quarantine is a national public institution established to research and develop science and technology to be applied in inspection and quarantine
"DVS"	:	Department of Veterinary Science Malaysia, an agency under the Ministry of Agriculture and Food Security of Malaysia to control exotic and domestic animal diseases, promote animal welfare and to ensure animal products are safe for human consumption. It is also the authority responsible for issuing the Veterinary Health Certificate
"EBN"	:	Edible bird's nest
"GACC"	:	General Administration of Customs of the People's Republic of China, the government agency that manages customs; border health checks; inspection and quarantine for imported and exported animals, plants, and their products; imported and exported food safety; and commodity inspection in China. It also oversees the registration of overseas production enterprises, including those for EBN, to be eligible to export into China. The Certification and Accreditation Administration of the People's Republic of China, now integrated under GACC, previously managed the registration for overseas production enterprises
"GMP"	:	Good Manufacturing Practice is a set of stringent guidelines and regulations designed to ensure that products are consistently produced and controlled to meet the highest standards of quality, safety, and efficacy. GMP endorses that the local producer complies with the current GMP requirements. GMP certification, issued by MOH is required by overseas regulatory agencies for the purpose of product registration in the respective countries
"HACCP"	:	Hazard Analysis and Critical Control Point, is an internationally recognised system for managing food safety throughout the food supply chain—from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product. The system is designed to prevent, eliminate or reduce significant hazards to an acceptable level
"JAKIM"	:	Department of Islamic Development Malaysia
"MAQIS"	:	Malaysian Quarantine and Inspection Services, established under the Ministry of Agriculture and Food Security of Malaysia, as a department to provide integrated services relating to quarantine, inspection and enforcement at entry points. MAQIS also functions to issue permits, licences and certificates for imports and exports; and certification of premises of the exporting country
"MeSTI"	:	*Makanan Selamat Tanggungjawab Industri* Certification Scheme, is a chain-of-custody system introduced by MOH that provides assurance of appropriate and safe handling of food products

TECHNICAL GLOSSARY *(Cont'd)*

"QR"	:	Quick response code is a type of two-dimensional matrix barcode containing data for a locator, an identifier, and web-tracking
"RCEBN"	:	Raw cleaned edible bird's nest are bird's nest that have undergone processing activities to have minimal impurities. The processing activities include preparation, cleaning, moulding, drying, heat treatment and packing processes
"RUBN"	:	Raw uncleaned bird's nest are bird's nest that have not undergone any processing activities
"VHM"	:	Veterinary Health Mark, a certification scheme issued by DVS to signify the compliance with minimum standards of hygiene and sanitation, quality assurance and food safety

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Residential address	Nationality/ Profession	Gender
Datuk Ng Seing Liong	Independent Non-Executive Chairman	76, Jalan Jambu Bol Kawasan 6 41100 Klang Selangor	Malaysian/ Director	Male
Tan Teh Jie	Managing Director	12, Jalan K2 Villas S1/3 Seksyen 1, Kajang 2 43000 Kajang Selangor	Malaysian/ Director	Male
Tan Teh Sheng	Executive Director	12, Jalan K2 Villas S1/3 Seksyen 1, Kajang 2 43000 Kajang Selangor	Malaysian/ Director	Male
Chong Sai Ching	Independent Non-Executive Director	19, Jalan Helang Siput 3 Taman Sinar Suria 52100 Kuala Lumpur	Malaysian/ Director	Female
Sherene Azura Binti Azli	Independent Non-Executive Director	11, Jalan PJU 1A/35 Ara Damansara 47301 Petaling Jaya Selangor	Malaysian/ Director	Female
Liew Chee Kar	Independent Non-Executive Director	Lot No. 3, Lorong Bukit Mas 16/2 Phase 1A Sri Bukit Mas (Golden Hill Garden) 88300 Kota Kinabalu Sabah	Malaysian/ Director	Female

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Chong Sai Ching	Chairperson	Independent Non-Executive Director
Sherene Azura Binti Azli	Member	Independent Non-Executive Director
Liew Chee Kar	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

NOMINATION COMMITTEE

Name	Designation	Directorship
Sherene Azura Binti Azli	Chairperson	Independent Non-Executive Director
Chong Sai Ching	Member	Independent Non-Executive Director
Liew Chee Kar	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Liew Chee Kar	Chairperson	Independent Non-Executive Director
Chong Sai Ching	Member	Independent Non-Executive Director
Sherene Azura Binti Azli	Member	Independent Non-Executive Director

COMPANY SECRETARY	:	Wong Youn Kim (SSM PC No. 201908000410)(MAICSA 7018778) *(Chartered Secretary, Fellow of the Malaysian Institute of Chartered Secretaries and Administrators)* Synergy Professionals Group Sdn Bhd (202301003202 (1497121-V)) Unit No. 11.07, Amcorp Tower Amcorp Trade Centre No. 18, Jalan Persiaran Barat 46050 Petaling Jaya Selangor Telephone: 017-622 9303
REGISTERED OFFICE	:	Unit No. 11.07, Amcorp Tower Amcorp Trade Centre No. 18, Jalan Persiaran Barat 46050 Petaling Jaya Selangor Telephone: 017-622 9303
HEAD OFFICE	:	PT 39461, Tingkat 1 Seksyen 7 Bandar Kajang 43000 Kajang Selangor Telephone: 03-8741 6609
EMAIL ADDRESS AND WEBSITE	:	Website: www.enest.com.my Email address: corporate@enest.com.my
SOLICITORS FOR OUR LISTING	:	Azman Davidson & Co Suite 13.03, 13th Floor Menara Tan & Tan 207 Jalan Tun Razak 50400 Kuala Lumpur Telephone: 03-2164 0200

1. CORPORATE DIRECTORY *(Cont'd)*

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING	:	Grant Thornton Malaysia PLT (201906003682 (AF 0737)) Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Telephone: 03-2692 4022 Partner's name: Chong Xui Wen *(Chartered Accountant, Malaysian Institute of Accountants)* Approved number: 03864/12/2026 J
ISSUING HOUSE AND SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H)) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South 8, Jalan Kerinchi 59200 Kuala Lumpur Telephone: 03-2783 9299
INDEPENDENT MARKET RESEARCHER	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A)) P-6-5 Pacific Towers Jalan 13/6 46200 Petaling Jaya Selangor Telephone: 03-7625 1769 Person-in-charge: Melissa Lim Li Hua *(Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia)*
ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	:	M & A Securities Sdn Bhd (197301001503 (15017-H)) Levels 3 & 7, No. 45 & 47, The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone: 03-2284 2911
LISTING SOUGHT	:	ACE Market
SHARIAH STATUS	:	Approved by the Shariah Advisory Council of SC

2. PROSPECTUS SUMMARY

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

2.1 PRINCIPAL DETAILS OF IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

No. of Shares to be issued under Public Issue	
- For application by the Malaysian Public	29,063,000
- For Pink Form Allocations	8,719,000
- For private placement to Bumiputera investors approved by MITI	72,656,300
- For private placement to selected investors	5,811,700
No. of Shares to be offered under Offer for Sale	
- For private placement to selected investors	15,054,000
Enlarged no. of Shares upon Listing	581,250,040
IPO Price per Share (RM)	0.13
Market capitalisation (RM) (calculated based on our IPO Price and enlarged no. of Shares upon Listing)	75,562,505

Further details of our IPO are set out in Section 4.

In compliance with the ACE Market Listing Requirements, the entire shareholdings of our Specified Shareholders' after IPO will be held under moratorium for 6 months from the date of our admission to the Official List. Thereafter, their aggregate shareholdings amounting to 45.0% of our total number of Shares will remain under moratorium for another 6 months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight line basis) of their shares held under moratorium upon expiry of the second 6-month moratorium period.

Further details on the moratorium on our Shares are set out in Section 3.2.

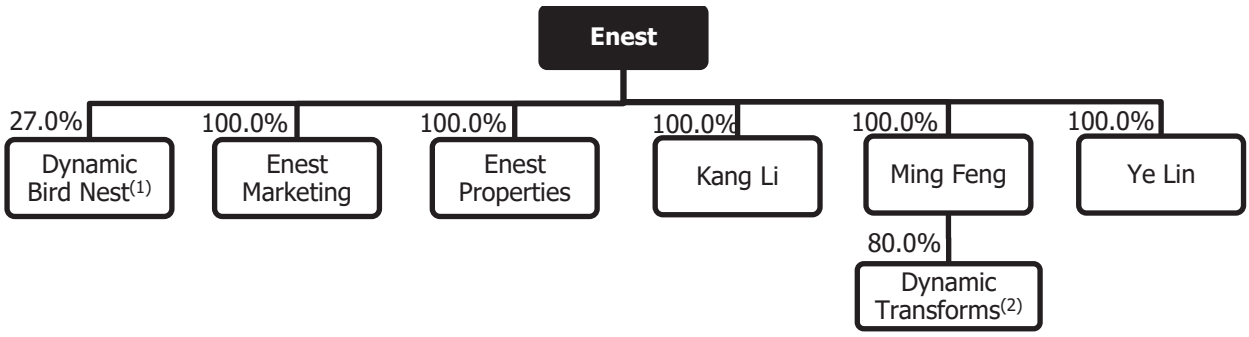
2.2 GROUP STRUCTURE AND BUSINESS MODEL

Our Company was incorporated in Malaysia on 9 April 2018 under the Act as a private limited company under the name of Enest Group Sdn Bhd. On 16 November 2018, we were converted into a public limited company and adopted our present name. On 7 August 2019, we were listed on the LEAP Market of Bursa Securities.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in the processing and sale of RCEBN, trading of EBN, and sale of processed bird's nest products. In addition, we are also involved in the operations of a health and personal care retail store under the trade name 'Kang Li'.

2. PROSPECTUS SUMMARY *(Cont'd)*

Our Group structure as at LPD is as follows:



Notes:

(1) 63.0% equity interest in Dynamic Bird Nest is held by Myboce Marketing Sdn Bhd and the remaining 10.0% equity interest is held by Wan Mohd Hazrie Bin Wan Mokhtar. Myboce Marketing Sdn Bhd is held 60.0% by Goh Teck Bin and 40.0% by Lau Yee Wu. Wan Mohd Hazrie Bin Wan Mokhtar, Goh Teck Bin and Lau Yee Wu are unrelated parties to our Promoters, Directors and/or substantial shareholders.

(2) The remaining 20.0% equity interest in Dynamic Transforms are held by Yong John Yoon (3.0%), Yong Jack Yoon (3.0%), Yong Hin Seng (4.0%) and Yang Yueyu (10.0%), all of whom are unrelated parties to our Promoters, Directors and/or substantial shareholders.

(3) The principal activities of our subsidiaries and associated company are as follows:

Company name	Principal activity
Ming Feng	Processing and sale of RCEBN
Dynamic Transforms	Processing and sale of RCEBN
Ye Lin	Importing of RCEBN into China
Enest Marketing	Trading of RUBN and sale of processed bird's nest products
Kang Li	Operations of a health and personal care retail store
Enest Properties	Property investment holding
Dynamic Bird Nest	Yet to commence business. Intended principal activity is to export RUBN to China

Our business model is as depicted below:

Business activities	Products	Geographical markets	Customer base
Processing and sale of RCEBN	• RCEBN	• China • Others (comprising Australia, Vietnam, Taiwan, Hong Kong, Japan, New Zealand and USA)	• Distributors and/or retailers • Importers • State-owned enterprises
Trading of EBN Trading of RCEBN	• RCEBN	• China	• Distributors and/or retailers • Importers • State-owned enterprises
Trading of RUBN	• RUBN	• Malaysia	• Bird's nest processing companies • Traders/Agents
Sale of processed bird's nest products	• Bottled bird's nest • Health beverage	• Malaysia	• Retailers • End-customers
Operations of a health and personal care retail store	• Health and personal care products • Processed bird's nest products	• Malaysia	• End-customers

2. PROSPECTUS SUMMARY *(Cont'd)*

Note:

Our business model diagram above does not include rental income services from the letting out of our investment property managed by a property management company as it is not our Group's core business activity. For reporting purposes, Taiwan and Hong Kong are presented separately from China.

Our largest business segment is our bird's nest segment, contributing 96.0%, 98.8%, 98.5% and 99.0% of our Group's total revenue for the FYEs 2022 to 2025. Within this business segment, processing and sale of RCEBN is our largest revenue contributor, contributing 83.7%, 73.1%, 64.9% and 62.9% to our Group's total revenue.

Our Group's principal market is China, which accounted for between 62.8% and 91.9% of our Group's total revenue for the FYEs 2022 to 2025.

The breakdown of our sales revenue by principal activities and geographical location are as follows:

	Audited							
	FYE 2022		**FYE 2023**		**FYE 2024**		**FYE 2025**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Bird's nest	**108,474**	**96.0**	**118,888**	**98.8**	**143,919**	**98.5**	**156,791**	**99.0**
- Processing and sale of RCEBN	94,569	83.7	87,960	73.1	94,846	64.9	99,656	62.9
- Trading of EBN	13,573	12.0	30,089	25.0	48,810	33.4	55,978	35.3
- Sale of processed bird's nest products	-	-	834	0.7	263	0.2	1,157	0.8
- Cleaning services[1]	332	0.3	5	*	-	-	-	-
Health and personal care	**4,498**	**4.0**	**1,437**	**1.2**	**2,228**	**1.5**	**1,416**	**0.9**
Rental[2]	**-**	**-**	**-**	**-**	**60**	*****	**175**	**0.1**
	112,972	**100.0**	**120,325**	**100.0**	**146,207**	**100.0**	**158,382**	**100.0**

	Audited							
	FYE 2022		**FYE 2023**		**FYE 2024**		**FYE 2025**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	7,702	6.8	22,909	19.0	45,940	31.4	57,561	36.4
China	103,777	91.9	96,696	80.4	98,433	67.4	99,416	62.8
Australia	925	0.8	704	0.6	914	0.6	216	0.1
Vietnam	-	-	-	-	900	0.6	1,000	0.6
Others[3]	568	0.5	16	*	20	*	189	0.1
	112,972	**100.0**	**120,325**	**100.0**	**146,207**	**100.0**	**158,382**	**100.0**

Notes:

* Represents less than 0.1%.

(1) Relates to labour fees charged to customers for cleaning of RUBN into RCEBN. Our cleaning services was an ancillary service provided to customers. We have discontinued such services to concentrate our labour resources for our processing of RCEBN.

(2) Relates to rental services from the letting out of our investment property managed by a property management company.

(3) Others refer to Taiwan, Hong Kong, Japan, New Zealand and USA. For reporting purposes, Taiwan and Hong Kong are presented separately from China.

Further details of our Group and our business model are set out in Sections 6 and 7.

2. PROSPECTUS SUMMARY *(Cont'd)*

2.3 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

(a) Our commitment to quality is one of the key factors to securing customers. We have established stringent QC measures covering RUBN supplies procurement, supply chain traceability and quality assurance scheme, to ensure the purity, natural origin and quality of our EBN products, which forms the foundation and safeguards of our success;

(b) We have built a wide network and good working relationships with our suppliers comprising swiftlet farmers and traders/agents located throughout Malaysia, which provides us with a consistent supply of quality RUBN to meet the demands from our customers. As at LPD, our suppliers source RUBN supplies from approximately 940 registered swiftlet houses, representing approximately 6.0% of the total number of registered swiftlet houses in Malaysia;

(c) We have a positive industry reputation in the China market. Although our RCEBN is sold unbranded in the China market, our subsidiaries, Ming Feng and Dynamic Transforms are well-known for providing Malaysia RCEBN among importers and distributors of RCEBN in China. Based on the 2025 Bird's Nest Traceability Report dated March 2026 from CAIQ, Ming Feng and Dynamic Transforms are among the top 10 Malaysian companies exporting RCEBN by volume to China;

(d) The growing demand of EBN, especially from China presents growth opportunities for our Group which we believe we are well-positioned to capitalise on. According to the industry overview as set out in Section 8, Malaysia EBN export grew at a CAGR of 4.7% from 282.9 tonnes in 2019 to reach 373.6 tonnes in 2025 with a value of RM811.4 million in 2025. PROVIDENCE forecasts the EBN export volume in Malaysia to grow by a CAGR by 3.9% to reach 419.3 tonnes with a value of approximately RM1.0 billion in 2028. Meanwhile, China continues to be a major export market for Malaysia EBN, with China (including Taiwan, Macao and Hong Kong) accounting for 94.6% of Malaysia's export value of EBN in 2025, which translates to RM767.6 million; and

(e) Our dedicated management team has been essential in driving the growth of our business and will continue to be instrumental to our Group's success. Our Managing Director, Tan Teh Jie has been engaged in the EBN industry since 2013, amassing extensive industry experience and we are committed to continuously nurturing our employees' growth and aim to foster an environment that encourages our employees to learn and grow along with our Group, building a strong and dedicated team that is capable of achieving our goals.

Further details of our competitive strengths are set out in Section 7.16.

2.4 BUSINESS STRATEGIES AND FUTURE PLANS

Our business objectives are to maintain sustainable growth in our business and create long term shareholder value. We intend to pursue the following strategies and future plans to grow our business:

(a) Currently, our Group outsources the bottling of bird's nest to contract manufacturers to cook the RCEBN (which has been processed by our Group) and to bottle and label according to our specifications. Moving forward, we intend to set up a new facility to manufacture bottled bird's nest and other herbal beverages. In this respect, we intend to relocate our current Kajang Facility and main office to a new premises, consolidating our RCEBN processing in our Kajang Facility with our future bottling operations. By bottling bird's nest in-house, we will have better control over the quality of our own brand of bottled bird's nest and will have the flexibility to experiment with different

formulations and test the new ready-to-eat bottled bird's nest products to adapt to changes in the market.

(b) According to the IMR Report, the EBN industry in Malaysia grew at a CAGR of 4.7% from 282.9 tonnes in 2019 to 373.6 tonnes in 2025, recording a value of RM811.4 million in 2025 and PROVIDENCE forecasts the EBN industry in Malaysia to grow at a CAGR of 3.9% to reach 419.3 tonnes with a value of approximately RM1.0 billion in 2028. The positive growth of the EBN industry in Malaysia are propelled by several drivers, including rising disposable income and affluence domestically and in key export markets such as China coupled by the growing urbanisation of its enormous population; increasing awareness of the health benefits of consuming EBN; and the evolvement of the EBN industry to include a greater variety of downstream bird's nest products is expected to bolster demand for EBN moving forward. We intend to leverage on the growth of the EBN market to grow our exports of RCEBN to China by broadening our customer base. Currently, our RCEBN are exported unbranded to distributors and/or retailers, state-owned enterprises and importers in China. Moving forward, we intend to target manufacturers based in China, particularly those involved in the processing of traditional Chinese medicine and wellness products.

(c) We intend to expand into exporting of RUBN to China. As at LPD, our Group currently does not export RUBN to China. We believe the EBN market will continue to grow and that there will be opportunities to export RUBN to China. Building on our capabilities to process and sell RCEBN, we have plans to expand upstream into selling RUBN to China. We intend to capitalise on our sourcing expertise to expand into exporting of RUBN.

Further details of our business strategies and future plans are set out in Section 7.17.

2.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

(a) We are subject to regulations, registrations and operational protocols to operate our business and export RCEBN

To ensure EBN food safety and compliance with major importing countries' standards, Malaysia implemented a standardised equivalence assessment and review. As such, our processing facilities are required to obtain the GMP, HACCP and VHM to meet international standards and regulations. In addition, to be able to export RCEBN to China, we are registered with GACC to ensure adherence to strict regulations. If the China authority were to introduce new rigorous procedures for EBN quality assurance as part of their regulatory requirements, bird's nest processing companies in Malaysia will have to enhance its procedures accordingly to meet these regulations. There is no assurance that the implementation of these procedures will not incur substantially higher cost that could adversely impact our profit margins in the future;

2. PROSPECTUS SUMMARY *(Cont'd)*

(b) We are subject to the approval from GACC to export to China

We are currently registered with GACC and the registration with GACC is renewed every 5 years. There is no assurance that we will be able to renew or maintain this critical approval, and failure to do so would result in us not being able to export to China and with our privileges for export of RCEBN to China suspended by GACC to rectify the non-compliance.

We are also required to comply with our export quota with GACC. Our obligation to comply with China's quantity-control rules is so that our export of RCEBN can continue to enter China under applicable quota arrangements. We may face delays in obtaining higher export quotas from GACC (via DVS) due to factors beyond our control, including introduction of new regulatory requirements or collaborative protocols between the relevant government authorities in Malaysia and China which require close inter-governmental coordination. While we can continue to export based on our existing export quota, any delay in obtaining higher export quotas may restrict our capacity to increase our export volumes of RCEBN to China in the future, thus resulting in loss of potential business opportunities and revenue growth.

(c) Our processing activities are dependent on skilled labour and the availability of foreign workers

One of the existing challenges in RCEBN processing is the heavy reliance on skilled manpower. Processing of RCEBN is most tedious, and demanding in nature, and is performed manually by hand to retain as much as possible the shape of the bird's nest. RCEBN processing often suffers from labour shortages with many skilled personnel resigning after acquiring skills. Although our Group has invested in bird's nest picking devices to reduce our labour needs for our processing operations, the processing of RCEBN still requires labour to perform cleaning. As such, the loss of trained skilled personnel without timely replacement, may disrupt our business operations and decrease in output. This could consequently have an adverse impact on our sales and financial performance;

(d) Our business and operations may be impacted by outbreaks of contagious and virulent diseases and widespread health epidemic

Our business operations may be adversely impacted by an outbreak of contagious and virulent diseases or widespread health pandemics. The occurrence of such a disaster or prolonged outbreak of contagious and virulent diseases which may be transmitted through animals, or birds may result in Government authorities in local and international markets to halt the sale or purchase of our products to curb the spread of the disease. In addition, any widespread of health epidemic may lead to a nationwide movement restriction imposed by the Government as a containment measure to curb the spread of the disease. If this were to occur, this may interrupt or halt business and economic activities, which may include our RCEBN processing activities. Such an event may temporarily suspend our business operations, or may result in us having to operate with reduced workforce capacity;

2. PROSPECTUS SUMMARY *(Cont'd)*

(e) Any government investigations over food safety incidents in China, which is our largest consumer market, and the resulting negative publicity could adversely affect our business

Despite the imposition of food safety standards dedicated to reducing the risk of food contamination, there is no assurance that contamination will not happen. Any government investigation over food safety incidents in China, which is our largest consumer market, and the resulting negative publicity, whether directed at our business or the industry as a whole, could lead to a widespread recall of EBN products and/or a ban on trade and import of EBN products into China. A widespread recall of EBN products could lead to significant losses for our Group which would adversely impact our financial performance. Meanwhile, a ban on trade and import of EBN products into China could result in a loss of revenue, which would materially and adversely affect our business operations, sales and financial performance. There is no assurance that our business or the Malaysia EBN industry would not become a target of regulatory or public scrutiny in the future, and that this would not hinder our business prospects;

(f) We are subject to fluctuations in prices of RUBN

The price of RUBN supplies could be volatile and be affected by factors such as changes in supply and demand, global including China economic conditions, relevant government regulations and policies, and outbreaks of diseases or any negative publicity regarding Malaysia EBN. Furthermore, any increase in the price of RUBN in Malaysia may cause us to adjust our product prices upward, which could in turn reduce the competitiveness of our RCEBN viz-a-viz players from other countries e.g. Indonesia. If we fail to meet our customers' price expectations, or if we are unable to compete effectively with our competitors, it could have a material adverse effect on our business, financial condition and results of operations; and

(g) We face competition in the EBN industry

We compete with domestic industry players involved in the processing of RCEBN as well as exporters of RCEBN i.e. from Indonesia in terms of pricing, product quality and ability to deliver in a timely manner. Apart from existing industry players domestically and from Indonesia, we may also face competition from new industry players. Competition faced from other industry players may lead to material and adverse effects on our Group's profitability and financial performance as we may be forced to offer more competitive prices in order to secure sales orders. Failure to compete may lead to material and adverse effects on our Group's track record and industry reputation, which may lead to loss of business to our competitors, affecting our overall business and financial performance.

2.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Datuk Ng Seing Liong	Independent Non-Executive Chairman
Tan Teh Jie	Managing Director
Tan Teh Sheng	Executive Director
Chong Sai Ching	Independent Non-Executive Director
Sherene Azura Binti Azli	Independent Non-Executive Director
Liew Chee Kar	Independent Non-Executive Director

2. PROSPECTUS SUMMARY *(Cont'd)*

Name	Designation
Key senior management	
Christopher Tan Yew Leong	Chief Financial Officer
Lok Chyi Yeu	Chief Operating Officer

Further details of our Directors and key senior management are set out in Section 5.

2.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after IPO are set out below:

		(1)Before IPO				(2)(3)After IPO			
		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Teh Jie	Malaysian	80,541,520	17.3	(4)1,083,000	0.2	80,541,520	13.8	(4)1,083,000	0.2
Tan Heng Guan	Malaysian	84,650,000	18.2	-	-	77,123,000	13.3	-	-
Tan Teh Sheng	Malaysian	82,385,520	17.7	-	-	74,858,520	12.9	-	-
Tan Beng Heng	Malaysian	29,050,000	6.3	-	-	29,050,000	5.0	-	-

Notes:

(1) Based on the share capital of 465,000,040 Shares before our IPO.

(2) After Public Issue and Offer for Sale.

(3) Based on the enlarged share capital of 581,250,040 Shares after our IPO.

(4) Deemed interest by virtue of Section 59(11)(c) of the Act through his spouse, Yin RongRong.

Further details of our Promoters and substantial shareholders are set out in Section 5.

2.8 UTILISATION OF PROCEEDS

The gross proceeds to be raised by our Company from the Public Issue of RM15.11 million shall be utilised in the following manner:

Utilisation of proceeds	RM'000	%	(1)Estimated timeframe for utilisation
Repayment of bank borrowings	5,000	33.1	Within 3 months
Working capital	6,413	42.4	Within 3 months
Estimated listing expenses	3,700	24.5	Within 1 month
Total	**15,113**	**100.0**	

Note:

(1) From the date of Listing of our Shares.

There is no minimum subscription to be raised from our IPO.

2. PROSPECTUS SUMMARY *(Cont'd)*

The detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds from the Offer for Sale of approximately RM1.96 million shall accrue entirely to the Selling Shareholders.

2.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The selected financial and operational information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

2.9.1 Consolidated statements of profit or loss and other comprehensive income

The following table sets out the financial highlights based on our consolidated statements of profit or loss and other comprehensive income for FYE 2022 to 2025:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	112,972	120,325	146,207	158,382
GP	14,117	14,962	15,055	17,003
PBT	8,572	8,736	10,636	10,781
PAT	6,464	7,000	8,428	8,365
PAT attributable to owners of our Company	6,066	6,670	8,037	8,021
Basic EPS (sen)[(1)]	1.3	1.4	1.7	1.7
Diluted EPS (sen)[(2)]	1.0	1.1	1.4	1.4
GP margin (%)[(3)]	12.5	12.4	10.3	10.7
PBT margin (%)[(4)]	7.6	7.3	7.3	6.8
PAT margin (%)[(4)]	5.7	5.8	5.8	5.3

Further details on the financial information are set out in Sections 12.1.1, 12.2.2 and 13.

Notes:

(1) Calculated based on PAT attributable to owners of our Company divided by the share capital of 465,000,040 Shares before our IPO.

(2) Calculated based on PAT attributable to owners of our Company divided by the enlarged share capital of 581,250,040 Shares after our IPO.

(3) Calculated based on GP over revenue.

(4) Calculated based on PBT or PAT over revenue.

There were no exceptional items during the financial years under review. Our audited consolidated financial statements for the past financial years under review were not subject to any audit qualifications.

2. PROSPECTUS SUMMARY *(Cont'd)*

2.9.2 Pro forma statements of financial position

The following table sets out a summary of the pro forma statements of financial position of our Group based on our audited consolidated statements of financial position as at 31 December 2025 to show the effects of the IPO and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma statements of financial position as set out in Section 14.

		I	II
	Audited as at 31 December 2025	**After Public Issue**	**After I and utilisation of proceeds**
	RM'000	**RM'000**	**RM'000**
ASSETS			
Total non-current assets	19,807	19,807	19,807
Total current assets	63,778	78,891	70,437
TOTAL ASSETS	**83,585**	**98,698**	**90,244**
Share capital	5,431	20,544	19,709
Merger deficit	(375)	(375)	(375)
Foreign currency translation reverse	(660)	(660)	(660)
Retained earnings	44,184	44,184	41,429
Equity attributable to owners of our Company	48,580	63,693	60,103
Non-controlling interests	3,017	3,017	3,017
TOTAL EQUITY	**51,597**	**66,710**	**63,120**
Total non-current liabilities	13,123	13,123	12,682
Total current liabilities	18,865	18,865	14,442
TOTAL LIABILITIES	**31,988**	**31,988**	**27,124**
TOTAL EQUITY AND LIABILITIES	**83,585**	**98,698**	**90,244**
No. of Shares in issue	465,000,040	581,250,040	581,250,040
NA per Share (RM)	0.10	0.11	0.10

2.10 DIVIDEND POLICY

Our Group presently does not have a fixed dividend policy. Our Company's ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to shareholders' approval.

During FYEs 2022 to 2025 and up to LPD, no dividends were declared and paid dividends to our shareholders and we do not intend to declare and pay any dividends from LPD up to our Listing.

Further details of our dividend policy are set out in Section 12.16.

3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 17 March 2026, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital on the ACE Market.

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

No.	Details of conditions imposed	Status of compliance
(a)	Submission of the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of Shares.	To be complied
(b)	Approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
(c)	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
(d)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the ACE Market Listing Requirements;	To be complied
(e)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of the Company at least 1 Market Day prior to the transfer listing date;	To be complied
(f)	Furnish to Bursa Securities a confirmation of compliance with Paragraph 2.2(b)(ii)(aa) of Guidance Note 10 of the ACE Market Listing Requirements by all the Directors at least 2 Market Days prior to the transfer listing date, together with a copy of the Mandatory Accreditation Programme certificates;	To be complied
(g)	In relation to the public offering to be undertaken by the Company, to announce at least 2 Market Days prior to the transfer listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/ allocation;	To be complied

3. APPROVALS AND CONDITIONS *(Cont'd)*

No.	Details of conditions imposed	Status of compliance
	(iii) A table showing the distribution for placement tranche; and (iv) Disclosure of placees who become substantial shareholders of Enest arising from the Public Issue, if any.	
(h)	Enest/M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of the Company to the Official List of the ACE Market.	To be complied

Bursa Securities had also vide its letter dated 6 April 2026, approved the Withdrawal.

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

No.	Details of conditions imposed	Status of compliance
(a)	M&A Securities is required to furnish Bursa Securities with a letter ("**M&A Securities' Confirmation Letter**") confirming the following: (i) that all subsisting undertaking letters provided by the shareholders of Enest remain valid and enforceable as at the date of M&A Securities' Confirmation Letter until the completion of the Transfer Listing; (ii) that the requirements of Rule 8.06 (1) of the LEAP Market Listing Requirements have been complied with or waived by Bursa Securities, as the case may be; (iii) that all conditions, including conditions imposed by the relevant authorities which are required to be met prior to the delisting have been met; and (iv) that there are no circumstances or facts which have the effect of preventing or prohibiting the delisting including any order, injunction or any other directive issued by any court of law.	To be complied
(b)	Further, Enest is required to announce, 5 clear Market Days before the effective date of suspension, the following: (i) the trading of Enest's Shares on the LEAP Market of Bursa Securities will be suspended one day before the date of allotment of the new Enest Shares to be issued pursuant to the Listing until the completion of the Listing; (ii) the effective date of suspension.	To be complied

3. APPROVALS AND CONDITIONS *(Cont'd)*

3.1.2 SC

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

The SC had, vide its letter dated 18 March 2026, approved our application under the Bumiputera equity requirement for public listed companies pursuant to our Listing, which is part of our Transfer Listing. The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	Enest allocating Shares equivalent to 12.5% of its enlarged number of issued Shares upon Listing to Bumiputera investors to be approved by MITI; and	Complied
(b)	Enest to make available at least 50.0% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	Complied

3.1.3 Shariah Advisory Council

The Shariah Advisory Council of the SC had, on 16 December 2025, classified our Shares as Shariah-compliant securities.

3.1.4 MITI

MITI had, vide its letter dated 10 March 2026, taken note and has no objection to our Listing.

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3. APPROVALS AND CONDITIONS *(Cont'd)*

3.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19(1) of the ACE Market Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders as follows:

(a) The moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");

(b) Upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.0% of the total number of Shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and

(c) On the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of those Shares held under moratorium.

Details of our Specified Shareholders and their Shares which will be subject to the abovesaid moratorium, are set out below:

	Year 1				Year 2		Year 3	
Specified Shareholders	**Moratorium shares during the First 6-Month Moratorium**		**Moratorium shares during the Second 6-Month Moratorium**		**Moratorium shares**		**Moratorium shares**	
	(1)No. of Shares	**(2)%**	**(1)No. of Shares**	**(2)%**	**(1)No. of Shares**	**(2)%**	**(1)No. of Shares**	**(2)%**
Tan Teh Jie	80,541,520	13.8	80,541,520	13.8	53,692,187	9.2	26,846,093	4.6
Tan Heng Guan(1)	77,123,000	13.3	77,123,000	13.3	51,413,265	8.9	25,706,633	4.4
Tan Teh Sheng(1)	74,858,520	12.9	74,858,520	12.9	49,903,673	8.6	24,951,836	4.3
Tan Beng Heng	29,050,000	5.0	29,050,000	5.0	19,365,888	3.3	9,682,944	1.7
Yin RongRong	1,083,000	0.2	-	-	-	-	-	-
	262,656,040	**45.2**	**261,573,040**	**45.0**	**174,375,013**	**30.0**	**87,187,506**	**15.0**

Notes:

(1) After Offer for Sale.

(2) Based on the enlarged share capital of 581,250,040 Shares after our IPO.

Our Specified Shareholders have provided written undertakings to Bursa Securities that they will comply with the moratorium conditions as set out in Rule 3.19(1) of the ACE Market Listing Requirements.

The moratorium restriction, which is fully acknowledged by our Specified Shareholders, are specifically endorsed on our share certificates representing their shareholdings which are under moratorium to ensure that our Share Registrar will not register any sale, transfer or assignment that is not in compliance with the aforesaid restriction.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 26 June 2026 and will remain open until 5.00 p.m. on 2 July 2026. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Opening of Application	26 June 2026
Closing of Application	2 July 2026
Balloting of Application	6 July 2026
Allotment of IPO Shares to successful applicants	13 July 2026
Listing	15 July 2026

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Malay daily newspaper in Malaysia, and announce on Bursa Securities' website.

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(a) Public Issue

A total of 116,250,000 Issue Shares, representing 20.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

29,063,000 Shares, representing 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 14,531,500 Shares, representing 2.5% of our enlarged share capital, made available to public investors; and

(bb) 14,531,500 Shares, representing 2.5% of our enlarged share capital, made available to Bumiputera public investors.

(ii) Eligible Director, employees and persons who have contributed to the success of our Group

8,719,000 Shares, representing 1.5% of our enlarged share capital, are reserved for our eligible Director, employees and persons who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(iii) Private placement to Bumiputera investors approved by MITI

72,656,300 Shares, representing 12.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO *(Cont'd)*

(iv) Private placement to selected investors

5,811,700 Shares, representing 1.0% of our enlarged share capital, are reserved for private placement to selected investors.

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

Upon completion of our Public Issue, our share capital will increase from RM5,431,272 comprising 465,000,040 Shares to RM20,543,772 (prior to the capitalisation of estimated listing expenses) comprising 581,250,040 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

(b) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 15,054,000 Offer Shares, representing approximately 2.6% of our enlarged share capital at our IPO Price. The Offer for Sale are reserved for private placement to selected investors.

Further details of our Selling Shareholders are set out in Section 4.3.2.

Our Offer for Sale is subject to the terms and conditions of this Prospectus.

(c) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM20,543,772 (prior to the capitalisation of estimated listing expenses) comprising 581,250,040 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO *(Cont'd)*

4.3.2 Selling Shareholders

Details of our Selling Shareholders and their relationship with our Group are as follows:

Name/ Residential address	Material relationship with our Group	Before IPO		Offer Shares offered			After IPO	
		No. of Shares	(1)%	No. of Shares	(1)%	(2)%	No. of Shares	(2)%
Tan Heng Guan/ 12, Jalan K2 Villas S1/3 Seksyen 1, Kajang 2 43000 Kajang Selangor	Promoter and substantial shareholder. He was previously our Executive Chairman before redesignating to Non-Independent Non-Executive Director. He retired from our Board on 24 May 2025.	84,650,000	18.2	7,527,000	1.6	1.3	77,123,000	13.3
Tan Teh Sheng/ 12, Jalan K2 Villas S1/3 Seksyen 1, Kajang 2 43000 Kajang Selangor	Promoter, substantial shareholder and Executive Director	82,385,520	17.7	7,527,000	1.6	1.3	74,858,520	12.9

Notes:

(1) Based on the share capital of 465,000,040 Shares before our IPO.

(2) Based on the enlarged share capital of 581,250,040 Shares after our IPO.

Further details of our Selling Shareholders, who are also our Promoters and substantial shareholders can be found in Sections 5.1 and 5.2.

4. DETAILS OF OUR IPO *(Cont'd)*

4.3.3 Pink Form Allocations

We have allocated 8,719,000 Issue Shares under the Pink Form Allocations to our eligible Director, employees and persons who have contributed to the success of our Group as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Director	1	150,000
Eligible employees	Up to 20	1,177,000
Persons who have contributed to the success of our Group	10	7,392,000
	Up to 31	**8,719,000**

Pink Form Allocations which are not accepted by certain eligible Director, employees and persons who have contributed to the success of our Group will be re-allocated to other eligible employees and persons who have contributed to the success of our Group at the discretion of our Board. After the said reallocation, any balance portion of Issue Shares under the Pink Form Allocations will first be made available to selected investors via private placement before being made available for application by the Malaysian Public. Further details are set out in Section 4.3.4.

(a) Allocation to eligible Director

The criteria for allocation to our eligible Director (as approved by our Board where the interested Director has abstained from deliberation on his allocation) are based on amongst others his past contribution to our Group. Tan Teh Sheng (our Promoter, substantial shareholder and Executive Director) and Tan Heng Guan (our Promoter and substantial shareholder) are undertaking the Offer for Sale and as such, they will not be participating in the Pink Form Allocations. Tan Teh Jie (our Managing Director) has opted not to participate in the Pink Form Allocations as Tan Teh Jie's father and brother will be undertaking the Offer for Sale and he is already our major shareholder.

Details of the proposed allocation to our eligible Director is as follows:

Name	Designation	No. of Issue Shares allocated
Datuk Ng Seing Liong	Independent Non-Executive Chairman	150,000

(b) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

(i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;

(ii) The number of shares allocated to our eligible employees are based on their seniority, position, length of service and respective past performance and contribution as well as other factors deemed relevant to our Board; and

(iii) Full time employee of at least 18 years of age.

4. DETAILS OF OUR IPO *(Cont'd)*

Included in the allocation to our eligible employees are the proposed allocations to our key senior management:

Name	Designation	No. of Issue Shares allocated
Lok Chyi Yeu	Chief Operating Officer	305,000
Christopher Tan Yew Leong	Chief Financial Officer	300,000
		605,000

(c) Allocation to persons who have contributed to the success of our Group

Persons who have contributed to the success of our Group include business associates, customers and suppliers, who are not related parties to our Group.

The number of Issue Shares to be allotted to those persons who have contributed to the success of our Group are based on amongst others, length of their business relationship with us and the level of contribution and support to our Group.

As at LPD, save as disclosed in Section 4.3.3, to the extent known to our Company:

(a) there are no substantial shareholders, Directors or key senior management of our Company who have indicated to our Company that they intend to subscribe for our IPO Shares; and

(b) there are no persons who have indicated to our Company that they intend to subscribe for more than 5.0% of our IPO Shares.

4.3.4 Placement and underwriting arrangement

Our Underwriter will underwrite 37,782,000 Issue Shares reserved for application by the Malaysian Public and Pink Form Allocations. The balance 78,468,000 Issue Shares reserved for application by way of private placement to Bumiputera investors approved by MITI and selected investors as well as the 15,054,000 Offer Shares reserved for application by way of private placement to selected investors, will not be underwritten and will be placed out by our Placement Agent.

Any of our Issue Shares not subscribed by the Malaysian Public and Pink Form Allocations shall be subject to the following clawback and reallocation provisions:

(a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be made available to selected investors via private placement before being allocated for application to our eligible Director, employees and persons who have contributed to the success of our Group (subject always that public spread requirements are met). Any Issue Shares which are not taken up under the Pink Form Allocations, will first be made available to selected investors via private placement before being made available for application by the Malaysian Public in the event of an oversubscription.

(b) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms and conditions of the Underwriting Agreement.

4. DETAILS OF OUR IPO *(Cont'd)*

The allocation of Issue Shares to Bumiputera investors shall be subject to the allocation approved by MITI. Such Issue Shares shall be subject to the following clawback and reallocation provisions:

(a) Any undersubscribed Issue Shares allocated to Bumiputera investors approved by MITI shall firstly be reallocated to Bumiputera public investors via public balloting. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Malaysian institutional investors via private placement (in the event of an oversubscription);

(b) After (a) above, the remaining portion will be made available for:

(i) Malaysian Public, in the event of an oversubscription; or

(ii) Application by way of private placement to selected investors to be identified,

the proportion of which, will be determined by our Board and Placement Agent.

The clawback and reallocation shall not apply in the event of over-application of the Issue Shares allocated to the Malaysian Public, Pink Form Allocations and private placement to Bumiputera investors approved by MITI. Our Board will ensure that any excess IPO Shares will be allocated in a fair and equitable manner.

4.3.5 Minimum requirements and subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the ACE Market Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Board. Our Board will ensure that any excess Issue Shares will be allocated on a fair and equitable manner.

Under the ACE Market Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

Upon completion of our IPO, our share capital would be as follows:

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	465,000,040	5,431,272
To be issued under our Public Issue	116,250,000	[(1)]15,112,500
Enlarged share capital upon our Listing	**581,250,040**	**20,543,772**

4. DETAILS OF OUR IPO *(Cont'd)*

Note:

(1) Prior to the capitalisation of estimated listing expenses directly attributable to the issuance of new Shares, which will be capitalised against the share capital of our Group.

Our Offer for Sale will not have effect on our share capital.

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. Every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each Share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

(a) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;

(b) To gain recognition through our listing status which will enhance our corporate reputation and image to market our products and to expand our customer base as well as to retain and attract new and skilled employees;

(c) To provide an opportunity for the Malaysian Public, including our eligible employees and persons who have contributed to the success of our Group to participate in our equity; and

(d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4. DETAILS OF OUR IPO *(Cont'd)*

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

(a) The PE Multiple of 9.42 times, calculated based on our PATAMI for the FYE 2025 of RM8.02 million and market capitalisation of RM75.56 million upon Listing;

PE Multiple is a valuation metric which compares a company's share price against its EPS. It is useful to compare the PE Multiple of a company to that of its peers to gauge the company's value relative to its peers where a higher PE Multiple indicates that investors are willing to pay more for a Ringgit's worth of earnings from the company.

Due to a lack of available public listed companies comparable to the business of our Group on the ACE Market, Main Market and on the regional exchanges in South East Asia, consideration was made to expand the selection of comparable companies. The selection of comparable companies is highly subjective and judgemental as there is no public listed company which is identical to our Group in terms of, amongst others, the composition of business activities, geographical markets, scale of business operations and financial positions

The comparable companies were selected from based on the following criteria:

(i) companies' operating in the EBN industry and in the distribution and/or manufacturing of herbal medicinal foods (i.e. foods that can enhance health status, but which are not classified as drugs, chemicals or vitamins). This is premised on the principal activities of our Group being principally involved in the processing and sale of RCEBN, trading of EBN, and sale of processed bird's nest products;

(ii) recorded positive earnings for the 12-month period up to the latest available financial statements published by the respective comparable companies; and

(iii) listed on regional exchanges in South East Asia.

Based on a market capitalisation of RM75.56 million (as computed with reference to our IPO Price of RM0.13 and enlarged share capital of 581,250,040 Shares) over our PATAMI for the FYE 2025 of RM8.02 million, this would translate to a PE Multiple of 9.42 times.

Our PE Multiple of 9.42 times is lower than the simple average PE Multiple of 13.86 times but within the range of PE Multiples of 6.82 times and 19.87 times of the selected comparable companies.

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4. DETAILS OF OUR IPO *(Cont'd)*

The statistics of the comparable companies are set out below:

Comparable companies		Latest financial year	Market capitalisation as at LPD million	PATAMI million	PE Multiple[(1)] times
Beshom Holdings Berhad	Listed on the Main Market, the group is principally involved in wholesaling, trading, multi-level marketing and retail of Chinese herbal medicines, medicated tonics, health food, healthcare products, wellness, beauty products, herbs and Chinese tea	30 April 2025	RM169.08	RM8.51	19.87
DXN Holdings Berhad	Listed on the Main Market, the group is principally involved in the manufacture and sale of fortified food and beverages, health and dietary supplements, personal care products, skin care and cosmetics and other related products made with natural ingredients such as Ganoderma (or known as Lingzhi), Spirulina, Cordyceps and Green Chiretta	28 February 2025	RM2,237.52	RM328.07	6.82
Power Root Berhad	Listed on the Main Market, the group is principally involved in the manufacture and distribution of premixed instant powder beverage products fortified with two main rainforest herbs: Tongkat Ali and Kacip Fatimah extracts	31 March 2025	RM469.17	RM31.99	14.67
PT Esta Indonesia	Listed on the Indonesia stock exchange, the group is principally engaged in breeding and cultivating swiftlets and trading in agricultural products and other live-stocks	31 December 2025	IDR764,925.00	IDR22,943.83	33.34[(2)]
Xiamen Yan Palace Bird's Nest Industry Co Ltd	Listed on the Hong Kong stock exchange, the group is engaged in development, production and marketing of EBN products	31 December 2025	HKD2,955.93	HKD209.76	14.09
				Simple average	**13.86**
				High	**19.87**
				Low	**6.82**

4. DETAILS OF OUR IPO *(Cont'd)*

Notes:

(1) Computed based on market capitalisation as at LPD divided by PATAMI.
(2) PT Esta Indonesia was excluded from the computation of the simple average PE Multiple due to valuation anomaly.

(b) Our pro forma NA attributable to owners of our Company per Share as at 31 December 2025 after IPO and utilisation of proceeds of RM0.10, calculated based on our pro forma NA attributable to owners of our Company after Public Issue and utilisation of proceeds as at 31 December 2025 of approximately RM60.10 million and the enlarged share capital of 581,250,040 Shares upon Listing;

(c) Our historical financial track record as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	112,972	120,325	146,207	158,382
GP	14,117	14,962	15,055	17,003
PATAMI	6,066	6,670	8,037	8,021

(d) Our competitive strengths as set out in Section 7.16; and

(e) Our business strategies and future plans as set out in Section 7.17.

You should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 581,250,040 Shares upon Listing, our total market capitalisation will be RM75.56 million.

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds our pro forma NA attributable to owners of our Company per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.13
Pro forma NA attributable to owners of our Company per Share as at 31 December 2025 before Public Issue	0.10
Pro forma NA attributable to owners of our Company per Share as at 31 December 2025 after Public Issue and utilisation of proceeds	0.10
Increase in pro forma NA attributable to owners of our Company per Share attributable to existing shareholders	-

4. DETAILS OF OUR IPO *(Cont'd)*

	RM
Dilution in pro forma NA attributable to owners of our Company per Share to our new public investors	0.03
Dilution in pro forma NA attributable to owners of our Company per Share as a percentage of our IPO Price	23.1%

Further details of our pro forma NA attributable to owners of our Company per Share as at 31 December 2025 is set out in Section 14.

Save for the Pink Form Allocations to our eligible Director and key senior management, there has been no acquisitions or dealing of any of our Shares by our Promoters, Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4.9 UTILISATION OF PROCEEDS

4.9.1 Public Issue

The estimated gross proceeds from our Public Issue of RM15.11 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	[(1)]Estimated timeframe for utilisation
Repayment of bank borrowings	(a)	5,000	33.1	Within 3 months
Working capital	(b)	6,413	42.4	Within 3 months
Estimated Listing expenses	(c)	3,700	24.5	Within 1 month
Total		**15,113**	**100.0**	

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with licensed financial institutions.

Note:

(1) From the date of Listing.

(a) Repayment of bank borrowings

We intend to use RM5.00 million of the proceeds from the Public Issue to repay the following banking facilities:

	Maybank Islamic Berhad	Bank Pertanian Malaysia Berhad
Type of facility	Bankers acceptances	Term loan
Amount outstanding as at LPD	RM6.29 million	RM0.74 million
Maturity date	Tenure 120 days	1 July 2030

4. DETAILS OF OUR IPO *(Cont'd)*

	Maybank Islamic Berhad	Bank Pertanian Malaysia Berhad
Effective interest rate as at LPD	5.23%	8.75%
Amount to be repaid	RM4.26 million	RM0.74 million
Interest savings per annum	RM0.23 million	RM0.11 million

As at LPD, our total borrowings amount to RM31.77 million. The selection on the bank facilities to be repaid from the proceeds of the Public Issue was determined after taking into account the following factors:

(i) interest cost of such facilities; and

(ii) outstanding loan amount.

The bankers' acceptances and term loan were obtained to fund our working capital requirements for the purchase of RUBN supplies. The repayment of the above banking facilities are expected to have a positive financial impact on our Group with interest savings of approximately RM0.34 million per annum. There is no prepayment penalties for the repayment of the bankers' acceptances and term loan.

(b) Working capital

We intend to allocate approximately RM6.41 million of the proceeds from the Public Issue to supplement the working capital requirements of our Group, mainly for the purchase of RUBN, either to process into RCEBN or to trade RUBN. In order to meet the increasing demand, our Group requires a large amount of purchases of RUBN. The working capital allocation is expected to enhance liquidity and cash flow to support the expected growth of our daily operations and reduce our reliance on external financing. We intend to roll over the proceeds for further purchases of RUBN during the utilisation timeframe.

(c) Estimated listing expenses

The fees and expenses for our IPO to be borne by our Group is estimated to be RM3.70 million, comprising the following:

Estimated listing expenses	RM'000
Professional fees[(1)]	3,154
Fees payable to authorities	107
Underwriting, placement and brokerage fees	180
Printing, advertising fees and contingencies[(2)]	259
	3,700

Notes:

(1) Includes advisory fees for, amongst others, our Adviser, solicitors, foreign counsel, reporting accountants, IMR, independent internal control review consultant, tax consultant, company secretary and Issuing House.

(2) Other incidental or related expenses in connection with our IPO.

4. DETAILS OF OUR IPO *(Cont'd)*

Given the timing of the use of proceeds to be raised from our Public Issue may not be immediate, we intend to place the proceeds raised from our Public Issue or any balance in interest-bearing accounts with licensed financial institutions and/or in money-market deposit instruments/funds.

Any variations of the allocation in proceeds set our above shall be adjusted towards or against the proceeds allocated towards our working capital as set out in item (b) above.

Where applicable and required under Rule 8.24 of the ACE Market Listing Requirements, we will seek shareholders' approval for any material variation to the intended utilisation of proceeds. Any further shortfall is to be funded from our internally-generated funds and/or bank borrowings.

4.9.2 Offer for Sale

The Offer for Sale will raise gross proceeds of approximately RM1.96 million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.05 million.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4.10.2 Placement fees

Our Placement Agent will place out a total of 78,468,000 Issue Shares to Bumiputera investors approved by MITI and selected investors and 15,054,000 Offer Shares to selected investors.

We will pay our Placement Agent a placement fee of 2.5% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of those Offer Shares placed out by our Placement Agent will be borne entirely by the Selling Shareholders.

4.10.3 Underwriting arrangement and commission

Our Underwriter has agreed to underwrite 37,782,000 Issue Shares reserved for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 3.0% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 37,782,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.4.

The salient terms in the Underwriting Agreement as extracted are as follows:

4. DETAILS OF OUR IPO *(Cont'd)*

4.11.1 Conditions precedent

(a) The obligations of the Underwriter under the Underwriting Agreement are conditional on the performance by our Company of all our obligations under the Underwriting Agreement and upon:

(i) the date of the Underwriting Agreement, in the opinion of the Underwriter after consultation with our Company, neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial, business, operations or otherwise) of our Group, which is material in the context of the Transfer Listing as set forth in this Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect to any extent which is or will be material in the opinion of the Underwriter, which makes any of the representations and warranties contained in the Underwriting Agreement untrue and incorrect in any respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in the Underwriting Agreement;

(ii) the delivery to the Underwriter:

(1) prior to the date of the registration of this Prospectus, a certified true copy of all the resolutions of the Directors approving the Underwriting Agreement, this Prospectus, and authorising the execution of the Underwriting Agreement and the issuance of this Prospectus; and

(2) a letter, by a duly authorised officer of our Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in the Underwriting Agreement;

(iii) the delivery to the Underwriter on the Closing Date of such reports and confirmations to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Group;

(iv) the issue, offer and subscription of the IPO Shares and the Transfer Listing not being prohibited or impeded by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;

(v) the Underwriter having been satisfied that our Company has complied with and that the Transfer Listing is in compliance with the CMSA, policies, guidelines and requirements of the relevant authorities (including Bursa Securities and/or the SC) and all revisions, amendments and/or supplements thereto;

(vi) the acceptance by Bursa Securities for registration of the Prospectus and such other documents as may be required in accordance with the ACE Market Listing Requirements in relation to the Transfer Listing and the lodgment of the Prospectus with the ROC;

(vii) the Underwriting Agreement having been duly executed by the parties and stamped;

4. DETAILS OF OUR IPO *(Cont'd)*

(viii) the Prospectus being in form and substance satisfactory to the Underwriter and the issue of the Prospectus being not later than 3 months from the date of the Underwriting Agreement or such extended period as may be agreed in writing by the Underwriter in consultation with our Company;

(ix) the approval of Bursa Securities for the Transfer Listing and the quotation for its entire enlarged issued share capital being obtained on terms acceptable to the Underwriter and remaining in full force and effect and that all conditions precedent to the approval have been complied with to the satisfaction of the Underwriter and such approval has not been withdrawn;

(x) all necessary approvals, consents, waivers, or exemptions required in relation to the Transfer Listing (including but not limited to the governmental approvals) having been obtained and are in full force and effect and that all conditions to such approvals, consents, waivers, or exemptions (except for any which can only be complied with after the listing date has been completed) have been complied with and such approvals, consents, waivers, or exemptions have not been withdrawn; and

(xi) the placement arrangement between the parties are in force and not having been terminated or rescinded pursuant to the provisions thereof.

(collectively, the **"Conditions Precedent"**)

(b) If any of the conditions set out in the Conditions Precedent is not satisfied by the Closing Date, the Underwriter in consultation with our Company, shall thereupon be entitled to terminate the Underwriting Agreement by notice in writing to our Company and in that event except for the liability of our Company for the payment of costs and expenses as provided in the Underwriting Agreement incurred prior to the termination and any claims pursuant to the Underwriting Agreement, there shall be no further claims by the Underwriter against our Company, and the parties shall be released and discharged from their respective obligations provided that the Underwriter may at its absolute discretion waive compliance with any of the conditions under the Conditions Precedents except for any conditions required by any laws, rules, regulations and guidelines or by any regulatory or governmental authorities/ bodies.

For avoidance of doubt, there is no waiver from compliance with any conditions under the Conditions Precedent unless such waiver is expressed in writing and signed by the Underwriter.

4.11.2 Termination

(a) Notwithstanding anything herein contained, the Underwriter may, by notice in writing to our Company given at any time before the Closing Date, terminate, cancel, or withdraw its commitment to underwrite the Underwritten Shares if:

(i) there is any breach by our Company of any of the representations, warranties, or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Underwriter; or

(ii) there is withholding of information by our Company which is required to be disclosed to the Underwriter pursuant to the Underwriting Agreement which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Transfer Listing, or the distribution or sale of the Issue Shares, and if capable of remedy, is not remedied; or

4. DETAILS OF OUR IPO *(Cont'd)*

(iii) there shall have occurred, happened or come into effect any of the following circumstances:

(1) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or the occurrence of any combination of any of the foregoing; or

(2) any new law, regulation, directive, policy or ruling or any material change in law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Underwriter or any event or series of events beyond the reasonable control of the Underwriter; or

(3) any material and adverse change to the business or financial condition of our Company or our Group; or

(4) approval for the Transfer Listing is withdrawn, modified and/or subject to terms and conditions not acceptable to the Underwriter,

which would have or can reasonably be expected to have, a material adverse effect on the success of the Transfer Listing, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

(iv) there is failure on the part of our Company to perform any of our obligations.

(b) If the Closing Date does not occur within 3 calendar months from the date of the Underwriting Agreement or such other period as may be agreed by the Underwriter in consultation with our Company, the Underwriting Agreement will automatically lapse without the requirement for any notice in writing to be given to such effect and the Underwriter will be released and discharged from its obligations.

(c) The Underwriter may by notice in writing given at any time after the Closing Date, terminate, cancel, or withdraw its commitment to underwrite the Underwritten Shares if the success of the Transfer Listing is in the reasonable opinion of the Underwriter seriously jeopardised by any of the following:

(i) the coming into force of any laws, governmental regulations, or directives which seriously affects or is likely seriously affect the business of our Group;

(ii) any material and adverse change in the condition (financial or otherwise) of our Group;

(iii) the Transfer Listing does not take place within 3 months from the date of the Underwriting Agreement or such other extended date as may be mutually agreed in writing by the Underwriter and our Company;

(iv) any commencement of legal proceedings or action against our Company or any of our Directors, which in the reasonable opinion of the Underwriter, would have a material adverse effect or make it impracticable to market the Issue Shares or to enforce contracts to allot and issue the Issue Shares;

4. DETAILS OF OUR IPO *(Cont'd)*

(v) if the SC or Bursa Securities or any other relevant authority issues an order such as to make it, in the reasonable opinion of the Underwriter (after consultation with our Company), impracticable to market the Issue Shares or to enforce contracts to allot and issue the Issue Shares;

(vi) there is any breach by our Company of any of our obligations under the Underwriting Agreement and where such breach if capable of remedy, the same not being remedied; or

(vii) the placement arrangement shall have been terminated or rescinded in accordance with its terms.

(d) Upon such notice(s) being given pursuant to the Underwriting Agreement, the Underwriter shall be released and discharged of its obligations under the Underwriting Agreement without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain liable in respect of our obligations and liabilities under the Underwriting Agreement, including our obligation to pay for the underwriting commission, any antecedent breaches and for the payment of the costs and expenses already incurred up to the date of termination or in connection with such termination and for the payment of any taxes, duties or levies within 7 days from the date of the same being due provided that the termination is not due to the default of the Underwriter.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after IPO are set out below:

		[1]As at LPD/Before IPO				[2][3]After IPO			
		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Teh Jie	Malaysian	80,541,520	17.3	[4]1,083,000	0.2	80,541,520	13.8	[4]1,083,000	0.2
Tan Teh Sheng	Malaysian	82,385,520	17.7	-	-	74,858,520	12.9	-	-
Tan Heng Guan	Malaysian	84,650,000	18.2	-	-	77,123,000	13.3	-	-
Tan Beng Heng	Malaysian	29,050,000	6.3	-	-	29,050,000	5.0	-	-

Notes:

(1) Based on the share capital of 465,000,040 Shares before our IPO.

(2) After Public Issue and Offer for Sale.

(3) Based on the enlarged share capital of 581,250,040 Shares after our IPO.

(4) Deemed interest by virtue of Section 59(11)(c) of the Act through his spouse, Yin RongRong.

Our Promoters and substantial shareholders do not have different voting rights from the other shareholders of our Group.

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

5.1.2 Profiles of Promoters and substantial shareholders

The profiles of Tan Teh Jie and Tan Teh Sheng, who are our Managing Director and Executive Director are set out in Section 5.2.2. The profiles of our other Promoters and substantial shareholders, Tan Heng Guan and Tan Beng Heng are set out as follows:

(a) **Tan Heng Guan**, a Malaysian, age 66, is our Promoter and substantial shareholder. He was previously appointed to our Board on 16 November 2018 as our Executive Chairman before redesignating to Non-Independent Non-Executive Director. He retired from our Board on 24 May 2025.

He has more than 45 years of experience in entrepreneurship. He has been involved in starting, growing, and managing various businesses.

Upon completing his fifth form education in 1978 at Sekolah Menengah Kebangsaan Abu Bakar, Temerloh, Pahang, he commenced working as Business Development Manager in his family business, Chop Eng Seng Huat, which is involved in the operation of a mini mart, harvest and trading of rubber cuplumps, and harvest and sales of fresh fruit bunches. He and his brothers subsequently expanded the business by establishing various collector branches for their trading of natural rubber cuplumps.

Between 1982 and 2022, he pursued amongst others, the following business ventures:

(i) In 1982, he established Heng Guan General Agency, a sole proprietorship selling insurance. The business ceased operations the following year in 1983;

(ii) In 1983, he co-founded Syarikat Perniagaan Levon, a partnership with one of his brothers, to be an agent of cold aerated drinks and ice-cream. The business subsequently ceased operations in November 1988;

(iii) In 1996, he and his brothers co-founded Sri Kerdau Commodities Sdn Bhd to venture into trading of fresh fruit brunches and palm kernel, where he was responsible for the business development activities of the company;

(iv) In 2008, he and his brothers ventured into property development in the town of Kerdau, Pahang and its surrounding towns, co-founding Sri Kerdau Development Sdn Bhd, where he oversaw its property development projects;

(v) In 2010, he and his brothers incorporated SKC Plantation Sdn Bhd which was involved in the trading of fresh fruit brunches and palm kernel. In June 2014, the company ceased being involved in trading of fresh fruit brunches and palm kernel and has principally been engaged in property development where Tan Heng Guan oversaw its property development projects in Mentakab and Temerloh;

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

(vi) In 2016, he and his sons incorporated Martell Builder Sdn Bhd, a joint venture company with 3 other partners which was involved in property development in Kota Warisan, Selangor and oversaw its development project; and

(vii) In 2017, he and his brothers incorporated Chop Eng Seng Huat Plantation Sdn Bhd which is involved in trading of natural rubber cuplumps and oversaw the business development activities of the company.

He is the mentor to Tan Teh Jie on his entrepreneurship journey into the EBN industry.

Since 1982, he has also co-invested in other businesses. Please refer to Section 5.1.3(a) for further details of his other directorships and principal business activities performed outside our Group.

Tan Heng Guan is the father of Tan Teh Jie and Tan Teh Sheng; and brother of Tan Beng Heng.

(b) **Tan Beng Heng**, a Malaysian, age 71, is our Promoter and substantial shareholder.

Upon completing his fifth form education in 1973 at Sekolah Menengah Kebangsaan Abu Bakar, Temerloh, Pahang, he commenced working as Finance Manager in his family business, Chop Eng Seng Huat, which is involved in the operation of a mini mart, harvest and trading of natural rubber cuplumps, and harvest and sales of fresh fruit bunches. He and his brothers subsequently expanded the business by establishing various collector branches for their trading of natural rubber cuplumps.

In 1996, he and his brothers co-founded Sri Kerdau Commodities Sdn Bhd to venture into the trading of fresh fruit brunches and palm kernel, where he was responsible for the financial activities of the company. Subsequently, in 2017, he and his brothers incorporated Chop Eng Seng Huat Plantation Sdn Bhd which is involved in trading of natural rubber cuplumps. He was responsible for overseeing the financial activities of the company.

Between 1996 and 2023, he has also co-invested in other businesses. Please refer to Section 5.1.3(b) for further details of his other directorships and principal business activities performed outside our Group.

Tan Beng Heng is the uncle of Tan Teh Jie and Tan Teh Sheng and the brother of Tan Heng Guan.

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

5.1.3 Principal business performed outside our Group

Save as disclosed below, Tan Heng Guan and Tan Beng Heng do not have any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Tan Heng Guan

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Chop Eng Seng Huat	Trading and commission agent of natural rubber cuplumps and fresh fruit bunches	Partner	1 July 1983	-	-	-
Atatmas Group Sdn Bhd	Investment holding with the subsidiaries involved in export and import of poultry and poultry products and breeding of broiler chicken; trading and commission agents of rubber, general plantation and sales of durian; property development; cultivating and trading in palm oil and other agricultural products, development and operation of power generation from renewable energy projects; wholesale export of durian and other related products and trading of fruits and related products	Director	19 October 2018	-	-	100.0[(1)]
Duta Megamas Sdn Bhd	Dormant. Its intended business activities are investment holding, property development, cultivating and trading in palm oil and other agricultural products	Director	20 July 2011	-	-	100.0[(1)]

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Sri Kerdau Commodities Sdn Bhd	Cultivating and trading in palm oil and other agricultural products, development and operation of power generation from renewable energy projects	Director	2 April 1996	-	-	100.0[2]
Sri Kerdau Development Sdn Bhd	Property development	Director	17 March 2008	-	-	100.0[2]
SKC Plantation Sdn Bhd	Property development	Director	17 June 2010	-	-	100.0[2]
Chop Eng Seng Huat Plantation Sdn Bhd	Trading and commission agents of rubber, general plantation and sales of durian	Director	20 November 2017	-	-	100.0[2]
Emax Properties Sdn Bhd	Dormant. It was incorporated to be engaged in buying, selling and renting properties	Director	4 September 2019	-	-	100.0[3]
Martell Development Sdn Bhd	Property development	Director	28 October 2020	-	-	35.0[3]
Dong Xin Properties Sdn Bhd	Dormant. It was incorporated to be engaged in property investment	Director	17 April 2023	-	-	100.0[4]
Martell Builder Sdn Bhd	Property development, construction and project management	Director	5 July 2016	-	30.0	-
Atatmas Tourism Sdn Bhd	Domestic tourism and promotion of sustainable tourism projects	Director	19 April 2017	-	-	-

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Redboy Ventures Sdn Bhd	Movie production and entertainment related activities	Director	5 September 2017	-	10.0	-
Marco Travel (MM2H) Sdn Bhd	Business management consultancy services and travel agency activities	Director	11 March 2019	-	50.0	-
E Mine Sdn Bhd	Property investment and general trading of a variety of goods and other similar business	Director	20 April 2022	-	50.0	-
Big Store Poultry Sdn Bhd	Export and import of poultry and poultry products and breeding of broiler chicken	Director	1 June 2017	23 September 2020	-	100.0(2)
Zheng Ming Trading Sdn Bhd	Share investment trading *Company is in the process of striking off*	Director	25 March 2015	-	15.0	-
Horizon Star Global Sdn Bhd	Dormant. It was incorporated to be engaged in the business of construction and engineering work and other related services	-	-	-	-	51.0(2)
Atatmas Construction Sdn Bhd	Construction	-	-	-	-	49.0(3)
Kim Dorian Manufacturing Sdn Bhd	Wholesale export of durian and other related products	-	-	-	-	65.0(5)
Kim Dorian Trading Sdn Bhd	Trading of fruits and related products	-	-	-	-	86.0(6)

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Frozen Frenzy Sdn Bhd	Trading of frozen food, processed food, health food, packed food and general trading in all kinds of frozen products	-	-	-	-	25.0[7]
Past involvement						
Sri Kerdau Bird Nest Sdn Bhd	Swiftlet farming	Director	12 September 2014	8 November 2021	-	-

Notes:

(1) Deemed interest by virtue of Section 8(4) of the Act through Atatmas (L) Foundation. Tan Heng Guan is one of the founders, council member and beneficiary of the said foundation.

(2) Deemed interest by virtue of Section 8(4) of the Act through Atatmas Group Sdn Bhd.

(3) Deemed interest by virtue of Section 8(4) of the Act through Sri Kerdau Development Sdn Bhd.

(4) Deemed interest by virtue of Section 8(4) of the Act through Dong Xin (L) Foundation. Tan Heng Guan is one of the founders, council member and beneficiary of the said foundation.

(5) Deemed interest by virtue of Section 8(4) of the Act through Chop Eng Seng Huat Plantation Sdn Bhd.

(6) Deemed interest by virtue of Section 8(4) of the Act through Kim Dorian Manufacturing Sdn Bhd.

(7) Deemed interest by virtue of Section 8(4) of the Act through Big Store Poultry Sdn Bhd.

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

(b) Tan Beng Heng

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Chop Eng Seng Huat	Trading and commission agent of natural rubber cuplumps and fresh fruit bunches	Partner	1 July 1983	-	-	-
Atatmas Group Sdn Bhd	Investment holding with the subsidiaries involved in export and import of poultry and poultry products and breeding of broiler chicken; trading and commission agents of rubber, general plantation and sales of durian; property development; cultivating and trading in palm oil and other agricultural products, development and operation of power generation from renewable energy projects; wholesale export of durian and other related products and trading of fruits and related products	Director	19 October 2018	-	-	100.0(1)
Duta Megamas Sdn Bhd	Dormant. Its intended business activities are investment holding, property development, cultivating and trading in palm oil and other agricultural products	Director	3 August 2011	-	-	100.0(1)
Sri Kerdau Commodities Sdn Bhd	Cultivating and trading in palm oil and other agricultural products, development and operation of power generation from renewable energy projects	Director	2 April 1996	-	-	100.0(2)

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

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Sri Kerdau Development Sdn Bhd	Property development	Director	17 March 2008	-	-	100.0[2]
SKC Plantation Sdn Bhd	Property development	Director	17 June 2010	-	-	100.0[2]
Chop Eng Seng Huat Plantation Sdn Bhd	Trading and commission agents of rubber, general plantation, and sales of durian	Director	20 November 2017	-	-	100.0[2]
Big Store Poultry Sdn Bhd	Export and import of poultry and poultry products and breeding of broiler chicken	Director	1 June 2017	-	-	100.0[2]
Horizon Star Global Sdn Bhd	Dormant. It was incorporated to be engaged in the business of construction and engineering work and other related services	Director	25 October 2023	-	-	51.0[2]
Emax Properties Sdn Bhd	Dormant. It was incorporated to be engaged in buying, selling and renting properties	Director	3 October 2021	-	-	100.0[3]
Kim Dorian Manufacturing Sdn Bhd	Wholesale export of durian and other related products	Director	18 August 2021	-	-	65.0[4]
Kim Dorian Trading Sdn Bhd	Trading of fruits and related products	Director	25 August 2022	-	-	86.0[5]
Atatmas Tourism Sdn Bhd	Domestic tourism and promotion of sustainable tourism projects	Director	19 April 2017	-	-	-

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

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Zheng Ming Trading Sdn Bhd	Share investment trading *Company is in the process of striking off*	Director	25 March 2015	-	25.0	-
Martell Development Sdn Bhd	Property development	-	-	-	-	35.0(3)
Atatmas Construction Sdn Bhd	Construction	-	-	-	-	49.0(3)
Frozen Frenzy Sdn Bhd	Trading of frozen food, processed food, health food, packed food and general trading in all kinds of frozen products	-	-	-	-	25.0(6)
Past involvement						
Sri Kerdau Bird Nest Sdn Bhd	Swiftlet farming	Director	12 September 2014	8 November 2021	-	-

Notes:

(1) Deemed interest by virtue of Section 8(4) of the Act through Atatmas (L) Foundation. Tan Beng Heng is one of the founders, council member and beneficiary of the said foundation.

(2) Deemed interest by virtue of Section 8(4) of the Act through Atatmas Group Sdn Bhd.

(3) Deemed interest by virtue of Section 8(4) of the Act through Sri Kerdau Development Sdn Bhd.

(4) Deemed interest by virtue of Section 8(4) of the Act through Chop Eng Seng Huat Plantation Sdn Bhd.

(5) Deemed interest by virtue of Section 8(4) of the Act through Kim Dorian Manufacturing Sdn Bhd.

(6) Deemed interest by virtue of Section 8(4) of the Act through Big Store Poultry Sdn Bhd.

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

5.1.4 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters' and substantial shareholders' respective shareholdings in our Company during the FYEs 2022 to 2025 and up to LPD are as follows:

	[1]As at 30 December 2022				[1]As at 29 December 2023			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Teh Jie	80,541,520	17.3	[2]1,083,000	0.2	80,541,520	17.3	[2]1,083,000	0.2
Tan Teh Sheng	82,385,520	17.7	-	-	82,385,520	17.7	-	-
Tan Heng Guan	84,650,000	18.2	-	-	84,650,000	18.2	-	-
Tan Beng Heng	29,050,000	6.3	-	-	29,050,000	6.3	-	-

	[1]As at 31 December 2024 & 31 December 2025				[1]As at LPD			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Teh Jie	80,541,520	17.3	[2]1,083,000	0.2	80,541,520	17.3	[2]1,083,000	0.2
Tan Teh Sheng	82,385,520	17.7	-	-	82,385,520	17.7	-	-
Tan Heng Guan	84,650,000	18.2	-	-	84,650,000	18.2	-	-
Tan Beng Heng	29,050,000	6.3	-	-	29,050,000	6.3	-	-

Notes:

[1] Based on the share capital of 465,000,040 Shares before our IPO.

[2] Deemed interest by virtue of Section 59(11)(c) of the Act through his spouse, Yin RongRong.

5.1.5 Persons exercising control over the corporation

Save for our Specified Shareholders as set out in Section 3.2, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at LPD, our Specified Shareholders have the same voting rights as our other shareholders and there is no arrangement between our Company and our shareholders with any third party, the operation of which may, at a subsequent date, result in the change in control of our Company.

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

5.1.6 Amounts or benefits paid or intended to be paid or given to our Promoters and substantial shareholders

Save for the aggregate remuneration and benefits paid or proposed to be paid for services rendered to our Group in all capacities as disclosed in Section 5.2.4, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

5.2 DIRECTORS

Our Board takes note of the recommendations under the Malaysian Code of Corporate Governance ("**MCCG**") released on 28 April 2021. As at LPD, our Board has adopted all relevant recommendations of the MCCG in terms of the composition of our Board and the relevant committees.

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after the IPO assuming that Datuk Ng Seing Liong will fully subscribe for his entitlement under the Pink Form Allocations are set out below:

		[1]As at LPD/Before IPO				[2][3]After IPO			
		Direct		Indirect		Direct		Indirect	
Name	Designation/ Nationality	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Ng Seing Liong	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	150,000	[3]<0.1	-	-
Tan Teh Jie	Managing Director/ Malaysian	80,541,520	17.3	[4]1,083,000	0.2	80,541,520	13.8	[4]1,083,000	0.2
Tan Teh Sheng	Executive Director/ Malaysian	82,385,520	17.7	-	-	74,858,520	12.9	-	-
Chong Sai Ching	Independent Non-Executive Director/ Malaysian	-	-	-	-	-	-	-	-
Sherene Azura Binti Azli	Independent Non-Executive Director/ Malaysian	-	-	-	-	-	-	-	-

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

		[1]As at LPD/Before IPO				[2][3]After IPO			
		Direct		Indirect		Direct		Indirect	
Name	Designation/ Nationality	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Liew Chee Kar	Independent Non-Executive Director/ Malaysian	-	-	-	-	-	-	-	-

Notes:

(1) Based on the share capital of 465,000,040 Shares before our IPO.

(2) After Public Issue and Offer for Sale.

(3) Based on the enlarged share capital of 581,250,040 Shares after our IPO and assuming that Datuk Ng Seing Liong will subscribe fully for his entitlement under the Pink Form Allocations.

(4) Deemed interest by virtue of Section 59(11)(c) of the Act through his spouse, Yin RongRong.

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

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

Datuk Ng Seing Liong, a Malaysian, aged 72, is our Independent Non-Executive Chairman. He was appointed to our Board on 16 November 2018 and was previously our Independent Non-Executive Director. He was re-designated to his current position on 1 July 2024.

He obtained his Diploma in Commerce from Tunku Abdul Rahman University of Management and Technology (formerly known as Tunku Abdul Rahman College) in August 1977. He is a Fellow Member of the Association of Certified Accountants (now known as Association of Chartered Certified Accountants) since July 1980, Associate Member of the Institute of Chartered Secretaries & Administrators (now known as Chartered Governance Institute) since July 1980, Chartered Accountant with the Malaysian Institute of Accountants since June 2001 respectively, Member of the Malaysian Association of Certified Public Accountants (now known as Malaysian Institute of Certified Public Accountants) since July 1989, and Fellow Member of the Malaysian Institute of Taxation (now known as Chartered Tax Institute of Malaysia) since October 1997.

He has over 45 years of experience in professional audit, tax, business advisory, receivership and liquidation within Malaysia. Throughout his career, he has extensive experience in advising a diversified range of clients in various industries such as plantation, construction, property development, manufacturing, trading, logistics, and retail. He has been involved in various due diligence and financial advisory engagements including special administration under the Pengurusan Danaharta Nasional Berhad Act 1998, restructuring, receiverships, liquidations and monitoring work.

He commenced his career with Oh & Associate, an audit firm, in 1978 as junior clerk assisting in the preparation of audit reports. He climbed the ranks within Oh & Associate and during his tenure, he managed a portfolio of audit and tax clientele, ensured audit engagements are carried out in accordance with approved professional standards, collaborated with clients to develop tax and business strategies, maintained client relationships, coached and developed team members on technical competencies as well as identify new business development opportunities.

In 1982, he left Oh & Associate and set up his own firm, S. L. Ng & Lean (now known as S. L. Ng & Associates) where he is currently Senior Partner. He is also Director of S. L. Ng Tax Services Sdn Bhd and S. L. Ng Corporate Solutions Sdn Bhd and Partner in S. L. Ng Corporate Services PLT.

He is also currently the Independent Non-Executive Director of Golden Land Berhad, a company listed on the Main Market.

Please refer to Section 5.2.3(a) for further details of his other directorships and principal business activities performed outside our Group.

He does not have any family relationship with our other Directors and/or substantial shareholders.

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

Tan Teh Jie, a Malaysian, aged 33, is our Managing Director. He was appointed to our Board on 9 April 2018. He is responsible for the overall strategic direction of our Group and business development activities.

After completing his fifth form education in 2011 at Sekolah Menengah Jenis Kebangsaan Hwa Lian, Mentakab, Pahang, he undertook various odd jobs before working in his family's small business in property development. In 2012, he chanced upon and enrolled into a bird's nest identification and processing technique workshop to learn about RCEBN processing as a means of earning a side income. Through the workshop, he gained insight into the industry and experimented with trading of RUBN. He subsequently participated in various trade associations and through business matching events, went on business trips to China and gained exposure to the market, customers and suppliers. In the meantime, he also studied part-time and in July 2012, obtained his Advanced Diploma in Business Studies from The Institute of Financial Accountants, a professional accountancy membership body.

In November 2013, he incorporated Zheng Feng Equity Sdn Bhd with How Tong Peng @ Wang Tong Peng with the intention to venture into the trading and processing of RCEBN. Zheng Feng Equity Sdn Bhd was owned 50% by Tan Teh Jie, Tan Teh Sheng and Tan Heng Guan collectively ("**Tan Family**"); and the remaining 50% by How Tong Peng @ Wang Tong Peng and his wife. However, in December 2014, the Tan Family disposed their entire equity interest in Zheng Feng Equity Sdn Bhd to a non-related third party.

In January 2015, he together with Tan Teh Sheng, Tan Heng Guan, Tan Beng Heng and financial contributions from 5 other shareholders, incorporated Ming Feng where he was responsible for setting up the company's operations as well as marketing and sales activities.

In addition, between March and May 2018, he led the acquisition of Dynamic Transforms, resulting in Dynamic Transforms becoming a subsidiary of Ming Feng.

Tan Teh Jie has been instrumental to the growth and development of our Group, with particular focus on generating leads and developing market awareness. He spearheads the business development activities of our Group by expanding our export markets to China, Australia and Japan.

Please refer to Section 5.2.3(b) for further details of his other directorships and principal business activities performed outside our Group.

Tan Teh Jie is the brother of Tan Teh Sheng, son of Tan Heng Guan, and nephew of Tan Beng Heng.

Tan Teh Sheng, a Malaysian, aged 31, is our Executive Director. He was appointed to our Board on 9 April 2018. He is responsible for overseeing the administrative and human resource functions of our Group and supports our Managing Director in ensuring the smooth running of our Group's daily business operations.

He graduated with a Bachelor of Science (Honours) in Psychology and Cognitive Neuroscience from the University of Nottingham, Malaysia in July 2017.

In November 2013, Tan Teh Sheng assisted his brother, Tan Teh Jie in establishing Zheng Feng Equity Sdn Bhd's operations and to deal with all matters relating to administration and compliances.

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

In January 2015, after the Tan Family disposed their equity interest in Zheng Feng Equity Sdn Bhd, he together with Tan Teh Jie, Tan Heng Guan, Tan Beng Heng and financial contributions from 5 other shareholders, incorporated Ming Feng. While pursuing his bachelor's degree, he worked part time in Ming Feng to assist our Managing Director. Upon graduation, he joined Ming Feng to support our Managing Director by overseeing the administrative and regulatory compliance functions of our Group and to ensure the smooth running of our operations.

Please refer to Section 5.2.3(c) for further details of his other directorships and principal business activities performed outside our Group.

Tan Teh Sheng is the brother of Tan Teh Jie, son of Tan Heng Guan, and nephew of Tan Beng Heng.

Chong Sai Ching, a Malaysian, aged 59, is our Independent Non-Executive Director. She was appointed to our Board on 5 May 2025 and she is the Chairman of our Audit and Risk Management Committee. She is also a member of our Remuneration Committee and Nomination Committee.

She graduated with a Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology), Malaysia in May 1991. She is an Associate of the Chartered Institute of Management Accountants and Member of the Malaysian Institute of Accountants since June 1995 and November 2010, respectively.

In December 1991, she commenced her career as Accounts Executive at Koperasi Jayadiri Malaysia Berhad, one of the leading non-governmental organisations of education loans, where she was involved in preparing the financial statements and handling management reporting, cashflow monitoring, money market placement with financial institutions, annual statutory audit and internal audit. In addition, she participated in the organisation-wide core system migration project.

She left Koperasi Jayadiri Malaysia Berhad in May 1995 to join Pacific Mutual Fund Berhad (now known as BOS Wealth Management Malaysia Berhad), a unit trust funds management company which was incorporated in March 1995 by The Pacific Bank Berhad* (then listed on the Main Board of Bursa Securities) as its investment management arm, as Finance Executive. She was instrumental in setting up the accounting and fixed assets system as well as policies and procedures for the finance department during her tenure with Pacific Mutual Fund Berhad. She was promoted to Assistant Manager in January 1997 where her responsibilities included preparing the financial statements, handling regulatory reporting and tax related matters as well as oversee the daily valuation and pricing of unit trust funds, annual statutory audit and internal audit. She also spearheaded the automation of various manual processes in the finance department to improve the overall operational efficiency.

* The Pacific Bank Berhad changed its name to PacificMas Berhad on 5 January 2001 upon the completion of the disposal of its banking business and related assets and liabilities to Malayan Banking Berhad pursuant to the consolidation of the country's commercial banks, finance companies and merchant banks into 10 groups led by Government nominated anchor banks.

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

She continued to climb up the ranks within Pacific Mutual Fund Berhad and was promoted to Deputy Manager in January 2000, Manager in April 2002, Senior Manager in January 2004, Assistant General Manager in January 2008, and General Manager, Finance in July 2010. During this time, she was responsible for financial, management and regulatory reporting, budgeting and financial forecasts, taxation affairs, project management and reengineering of core business processes as well as establishing and directing internal controls and processes and procedures. In addition, she was also responsible for presenting the financial and accounting reports, and unit trust funds' interim and annual reports during board and audit committee meetings. Besides her day-to-day responsibilities, she was also tasked to establish the enterprise risk management framework, policy and procedures for Pacific Mutual Fund Berhad, and assisted the Chief Executive Officer in overseeing the risk management function (she ceased to oversee this function when her role expanded to cover the areas of operations and technology). In 2009, she participated in the migration of the clients' portfolio of PacificMas Asset Management Sdn Bhd, a sister company to the company, after Pacific Mutual Fund Berhad took over the investment management business of PacificMas Asset Management Sdn Bhd.

In January 2011, she was appointed Acting Head of Operations before assuming the role of General Manager, Finance and Operations in March 2011. In addition to her role in finance, her responsibilities expanded to include the management of unit trust operations, fund operations and information technology ("**IT**") departments where she oversaw the processing of subscriptions, redemptions, switching and payment settlement of unit trust funds, funds' portfolio valuation, trade processing and settlement as well as the strategic management of IT assets and related investments.

In an internal corporate structure reorganisation, she was re-designated Chief Operating Officer in January 2014, where she oversaw the overall day-to-day operational activities of the finance, operations and IT functions of the company, where she reviewed finance and management reports, budgets and forecasts, assessed new product launches as well as monitored and provided strategic direction for operational and IT activities to improve the company's productivity and efficiency. She was also responsible for presenting new financial, operations and technology proposals to the audit committee and oversaw the company's business continuity and disaster recovery plans.

She was redesignated Executive Director, Finance, Operations & Technology in June 2020. In addition to her existing role of overseeing the finance, operations and IT functions of the company, she also oversaw the corporate and marketing communications, client account services and office administrative functions. In addition, she led the relocation of the company's office to its new premises as part of a corporate rebranding exercise under the name of BOS Wealth Management Malaysia Berhad after the company became a wholly-owned subsidiary of Bank of Singapore. She also participated in the implementation of the client onboarding system to ensure that the onboarding processes and procedures of the system were aligned with the Bank of Singapore's client onboarding processes and procedures.

She retired from BOS Wealth Management Malaysia Berhad, in September 2023 after 28 years with the company.

She does not have any other directorships and principal business activities performed outside our Group.

She does not have any family relationship with our other Directors and/or substantial shareholders.

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

Sherene Azura binti Azli, a Malaysian, aged 53, is our Independent Non-Executive Director. She was appointed to our Board on 5 May 2025 and she is the Chairman of our Nomination Committee. She is also a member of our Remuneration Committee and Audit and Risk Management Committee.

She graduated from the University of Limerick, Republic of Ireland in 1996 with a Bachelor of Business Studies majoring in Accounting and Finance. She obtained her Master of Business Administration ("**MBA**") from the University of Durham, United Kingdom in 2005 and attended the Senior Management Development Programme by Harvard Business School Alumni Club of Malaysia in 2008.

Upon graduation, she started her career with Telekom Malaysia Berhad ("**TM**") (presently listed on the Main Market) in August 1996 as Financial Analyst, International Business where she was responsible for setting up an activity-based costing management system. In January 2000, she was promoted to Financial Controller, Global Business where she was responsible for accounting, financial, budgetary information, forecasting and strategic financial planning, as well as carrying out strategic financial planning which involved creating a framework for identifying and developing financial growth opportunities. She was also involved in the setting up of 4 new offices for TM in the USA, United Kingdom, Hong Kong and Singapore.

Between July 2002 and June 2004, she went on study leave to pursue her MBA.

In July 2004, she rejoined TM as Manager of Marketing Management where she spearheaded market intelligence, market analytics and market research on TM's retail businesses. Subsequently, in January 2007, she was promoted to Assistant General Manager, Pricing Strategy where she was in charge of setting up a central pricing unit to develop pricing strategies, pricing models and forecasting tools for TM group's retail and wholesale business segments. In July 2007, she was promoted to General Manager, Pricing Strategy, responsible for the pricing strategy and price positioning of TM's products and services.

In February 2009, she was promoted to Vice President, Group Marketing, where she led TM group's consolidated marketing functions, including marketing strategy, marketing development, branding and positioning, advertising and promotion, strategic sponsorships, pricing strategies, product strategies and customer relationship management system as well as spearheaded digital media marketing. In July 2010, she assumed the role of Vice President, Group Strategy and Business Development, where she spearheaded the streamlining of TM group's strategic direction and positioning, and identified investment opportunities and threats for organic and inorganic growth. She assumed her position until January 2012.

Between February 2012 and December 2014, she was seconded to Talent Corporation Malaysia Berhad, an agency under the Ministry of Human Resources, as General Manager of the Malaysian Diaspora Outreach programme to develop and implement engagement modules to create awareness and explore available career opportunities in Malaysia for Malaysian students abroad as well as to bridge between professional Malaysians abroad and the Malaysian private sector. In January 2015, she was seconded to Multimedia University as Chief Operating Officer. She left shortly after.

In January 2015, she joined Malaysia Healthcare Travel Council ("**MHTC**"), which was established by the Government to facilitate and promote the country's healthcare travel service offerings, as Chief Executive Officer. She was responsible for MHTC's overall direction, planning, marketing and branding efforts to position Malaysia as a leading global healthcare travel destination. In 2019, her main achievement was bringing Malaysia to be the global number 1 medical travel destination by volume. She resigned from MHTC in January 2021.

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

Between February 2021 and October 2023, she was an Independent Consultant, specialising in the healthcare industry. She was also adjunct professor at Universiti Sultan Zainal Abidin, Terengganu and Universiti Pendidikan Sultan Idris, Tanjong Malim, Perak as well as subject expert at University Malaya.

In November 2023, she joined KPJ Healthcare Berhad, a company listed on the Main Market as Chief Marketing Officer, where she was leading the development and implementation of consolidated marketing and sales strategies and functions as well as overseeing branding and patient experience activities for the KPJ Healthcare Berhad group of companies. She left KPJ Healthcare Berhad in November 2025 and is presently an Independent Consultant, specialising in the healthcare industry. She is also adjunct professor at Open University Malaysia and an external assessor with International Islamic University Malaysia for its MBA programme.

Please refer to Section 5.2.3(d) for further details of her other directorships and principal business activities performed outside our Group.

She does not have any family relationship with our other Directors and/or substantial shareholders.

Liew Chee Kar, a Malaysian, aged 42, is our Independent Non-Executive Director. She was appointed to our Board on 5 May 2025 and she is the Chairman of our Remuneration Committee. She is also a member of our Nomination Committee and Audit and Risk Management Committee.

She graduated with a Bachelor of Laws (Hons) from University of West of England Bristol, United Kingdom in July 2006. She obtained her Certificate of Legal Practice in September 2008. She is also a member of the Institute of Corporate Directors Malaysia since September 2022.

She undertook her pupillage with Messrs Albar & Partners from November 2008 to August 2009 and was admitted as an Advocate and Solicitor of the High Court in Malaya in September 2009.

After her pupillage, she joined Messrs Lee Choon Wan & Co as Legal Associate in November 2009 where she was involved in capital market exercises such as initial public offerings as well as mergers and acquisitions. In December 2013, she was promoted to Partner of the firm and continued to be involved in capital market exercises as well as land, banking and conveyancing matters until March 2014 when she relocated to Sabah.

She subsequently undertook her pupillage from June 2014 to September 2015 with Messrs Lim Chung & Zahbia. She was then admitted as an Advocate and Solicitor of the High Court in Sabah and Sarawak in September 2015. She was retained by Messrs Lim Chung & Zahbia as Senior Legal Associate, a position she currently holds, where she is involved in land, conveyancing and banking as well as finance related legal matters.

She is also currently the Independent Non-Executive Director of CPE Technology Berhad, a company listed on the Main Market.

Please refer to Section 5.2.3(e) for further details of her other directorships and principal business activities performed outside our Group.

She does not have any family relationship with our other Directors and/or substantial shareholders.

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

5.2.3 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Datuk Ng Seing Liong

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
S.L. Ng Tax Services Sdn Bhd	Tax agent and business management consultancy	Director	9 September 1998	-	40.0	-(1)
S.L. Ng Corporate Solutions Sdn Bhd	Provision of corporate recovery, restructuring services, forensic services, act as trustee and other related consultancy services	Director	1 March 2008	-	50.0	-(2)
S.L. Ng Corporate Solutions PLT	Provision of corporate recovery, restructuring and insolvency services	Partner	29 November 2021	-	-	-
Ng Siak Khui Realty Sdn Bhd	Property investment	Director	23 May 1977	-	17.2	-
Sim Sin Construction Development Sdn Bhd	Property development	Director	18 October 1983	-	25.0	-(3)
Kota Kelang Properties Sdn Bhd	Property investment	Director	21 October 2011	-	50.0	-(4)
Kota Kelang Development Sdn Bhd	Property development	Director	25 August 1989	-	55.0	-(5)

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

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Kota Kelang Construction Sdn Bhd	Construction and building development	Director	5 March 1980	-	17.6	29.4[6][7]
Linggi Oil Palm Realty Sdn Bhd	Planters and sellers of oil palm	Director	28 March 1988	-	18.7	-
Intermont Holdings Sdn Bhd	Property investment and property management	Director	1 July 1998	-	45.0	-[8]
Rehda Institute	Training, consultancy and research arm of the Real Estate and Housing Developers' Association (REHDA)	Director	17 January 2012	-	-	-
Feri Warisan Baik Sdn Bhd	Property investment	Director	22 November 2011	-	50.0	-[9]
Golden Land Berhad (listed on the Main Market)	Oil palm plantation and property development	Independent Non-Executive Director	25 April 2018	-	-	-
Mybest Hotel Sdn Bhd	Hotels and resort hotels	-	-	-	33.3	-
Past involvement						
Ecobuilt Holdings Berhad (listed on the Main Market)	Investment holding with subsidiaries involved in construction	Non - Independent Non-Executive Director	15 November 2019	6 February 2025	[10]	-

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

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Greenre Sdn Bhd	Energy and environmental design and sustainable performance of buildings	Director	15 August 2013	10 January 2023	-	-
United Teochew (Malaysia) Berhad	Investment holding *Company has been wound up*	Director	15 October 2001	-	-	-

Notes:

(1) 20.0% equity interest in S.L. Ng Tax Services Sdn Bhd is held by his spouse, Datin Yam Cheok Wan and another 20.0% equity interest is held by his child, Ng Choon Jin.

(2) The remaining 50.0% equity interest in S.L. Ng Corporate Solutions Sdn Bhd is held by his spouse and child, i.e. Datin Yam Cheok Wan (20.0%) and Ng Choon Jin (30.0%).

(3) 2.5% equity interest in Sim Sin Construction Development Sdn Bhd is held by his spouse, Datin Yam Cheok Wan.

(4) The remaining 50.0% equity interest in Kota Kelang Properties Sdn Bhd is held by his spouse and children, i.e. Datin Yam Cheok Wan (12.5%), Ng Choon Jin (12.5%), Ng Choon Keith (12.5%) and Ng Choon Yon (12.5%).

(5) The remaining 45.0% equity interest in Kota Kelang Development Sdn Bhd is held by his spouse and children, i.e. Datin Yam Cheok Wan (10.0%), Ng Choon Jin (5.0%), Ng Choon Keith (25.0%) and Ng Choon Yon (5.0%).

(6) Deemed interest by virtue of Section 8(4) of the Act through Kota Kelang Development Sdn Bhd.

(7) The remaining 53.0% equity interest in Kota Kelang Construction Sdn Bhd (after excluding the interest held through Kota Kelang Development Sdn Bhd as disclosed in Note 6 above) is held by his spouse and children, i.e. Datin Yam Cheok Wan (11.8%), Ng Choon Jin (11.8%), Ng Choon Keith (17.6%) and Ng Choon Yon (11.8%).

(8) The remaining 55.0% equity interest in Intermont Holdings Sdn Bhd is held by his spouse and children, i.e. Datin Yam Cheok Wan (20.0%), Ng Choon Jin (20.0%) and Ng Choon Yon (15.0%).

(9) The remaining 50.0% equity interest in Feri Warisan Baik Sdn Bhd is held by his spouse, Datin Yam Cheok Wan.

(10) Less than 0.1% as at 5 December 2024, based on Ecobuilt Holdings Berhad's latest annual report.

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

(b) Tan Teh Jie

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Martell Builder Sdn Bhd	Property development, construction and project management	Director	5 July 2016	-	10.0	-
Emax Properties Sdn Bhd	Dormant. It was incorporated to be engaged in buying, selling and renting properties	Director	4 September 2019	22 November 2020	-	100.0(1)
Atatmas Tourism Sdn Bhd	Domestic tourism and promotion of sustainable tourism projects	Director	19 April 2017	-	50.0	-
Martell Development Sdn Bhd	Property development	Director	28 October 2020	-	-	35.0(1)
Frozen Frenzy Sdn Bhd	Trading of frozen food, processed food, health food, packed food and general trading in all kinds of frozen products	Director	12 May 2022	-	25.0	25.0(2)
Dong Xin Properties Sdn Bhd	Dormant. It was incorporated to be engaged in property investment	Director	17 April 2023	-	-	100.0(3)
Dynamic Study Abroad Sdn Bhd	Management consultancy activities	Director	30 June 2023	-	75.0	-
Heshen Capital (M) Sdn Bhd	Yet to commence business. Its intended business activity is money lending and consultancy services	Director	16 October 2023	-	50.0	-

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Dynamic Study Abroad Consultation Sdn Bhd	Management consultancy activities *Company had submitted an application for strike off on 10 September 2025*	Director	11 April 2022	-	50.0	-
Big Store Poultry Sdn Bhd	Export and import of poultry and poultry products and breeding of broiler chicken	Director	1 June 2017	23 September 2020	-	100.0[4]
Zheng Ming Trading Sdn Bhd	Share investment trading *Company is currently in the process of striking off*	Director	25 March 2015	-	25.0	-
Redboy Ventures Sdn Bhd	Movie production and entertainment related activities	-	-	-	10.0	-
Marco Travel (MM2H) Sdn Bhd	Business management consultancy services and travel agency activities	-	-	-	30.0	-
Atatmas Group Sdn Bhd	Investment holding with the subsidiaries involved in export and import of poultry and poultry products and breeding of broiler chicken; trading and commission agents of rubber, general plantation and sales of durian; property development; cultivating and trading in palm oil and other agricultural products, development and operation of power generation from renewable energy projects; wholesale export of durian and other related products and trading of fruits and related products	-	-	-	-	100.0[5]

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Duta Megamas Sdn Bhd	Dormant. Its intended business activities are investment holding, property development, cultivating and trading in palm oil and other agricultural products	-	-	-	-	100.0[5]
Sri Kerdau Commodities Sdn Bhd	Cultivating and trading in palm oil and other agricultural products, development and operation of power generation from renewable energy projects	-	-	-	-	100.0[4]
Sri Kerdau Development Sdn Bhd	Property development	-	-	-	-	100.0[4]
SKC Plantation Sdn Bhd	Property development	-	-	-	-	100.0[4]
Chop Eng Seng Huat Plantation Sdn Bhd	Trading and commission agents of rubber, general plantation and sales of durian	-	-	-	-	100.0[4]
Horizon Star Global Sdn Bhd	Dormant. It was incorporated to be engaged in the business of construction and engineering work and other related services	-	-	-	-	51.0[4]
Kim Dorian Manufacturing Sdn Bhd	Wholesale export of durian and other related products	-	-	-	-	65.0[6]

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Kim Dorian Trading Sdn Bhd	Trading of fruits and related products	-	-	-	-	86.0[7]
Atatmas Construction Sdn Bhd	Construction	-	-	-	-	49.0[1]
Past involvement						
Saxenfox Regal Sdn Bhd	Yet to commence business. Its intended business activity is hairdressing and other beauty treatment	Director	9 September 2022	5 April 2026	-	-

Notes:

(1) Deemed interest by virtue of Section 8(4) of the Act through Sri Kerdau Development Sdn Bhd.

(2) Deemed interest by virtue of Section 8(4) of the Act through Big Store Poultry Sdn Bhd.

(3) Deemed interest by virtue of Section 8(4) of the Act through Dong Xin (L) Foundation. Tan Teh Jie is one of the founders, council member and beneficiary of the said foundation.

(4) Deemed interest by virtue of Section 8(4) of the Act through Atatmas Group Sdn Bhd.

(5) Deemed interest by virtue of Section 8(4) of the Act through Atatmas (L) Foundation. Tan Teh Jie is a council member and beneficiary of the said foundation.

(6) Deemed interest by virtue of Section 8(4) of the Act through Chop Eng Seng Huat Plantation Sdn Bhd.

(7) Deemed interest by virtue of Section 8(4) of the Act through Kim Dorian Manufacturing Sdn Bhd.

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

(c) Tan Teh Sheng

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Martell Builder Sdn Bhd	Property development, construction and project management	Director	5 July 2016	-	10.0	-
Atatmas Tourism Sdn Bhd	Domestic tourism and promotion of sustainable tourism projects	Director	19 April 2017	-	50.0	-
E Mine Sdn Bhd	Property investment and general trading of a variety of goods and other similar business	Director	20 April 2022	-	50.0	-
Frozen Frenzy Sdn Bhd	Trading of frozen food, processed food, health food, packed food and general trading in all kinds of frozen products	Director	12 May 2022	-	-	25.0(1)
Dong Xin Properties Sdn Bhd	Dormant. It was incorporated to be engaged in property investment	Director	17 April 2023	-	-	100.0(2)
Atatmas Construction Sdn Bhd	Construction	Director	13 July 2023	-	-	49.0(3)
Heshen Capital (M) Sdn Bhd	Yet to commence business. Its intended business activity is money lending and consultancy services	Director	16 October 2023	-	50.0	-
Emax Properties Sdn Bhd	Dormant. It was incorporated to be engaged in buying, selling and renting properties	Director	4 September 2019	3 October 2021	-	100.0(3)

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Big Store Poultry Sdn Bhd	Export and import of poultry and poultry products and breeding of broiler chicken	Director	1 June 2017	23 September 2020	-	100.0[4]
Zheng Ming Trading Sdn Bhd	Share investment trading *Company is in the process of striking off*	Director	25 March 2015	-	25.0	-
Redboy Ventures Sdn Bhd	Movie production and entertainment related activities	-	-	-	10.0	-
Marco Travel (MM2H) Sdn Bhd	Business management consultancy services and travel agency activities	-	-	-	20.0	-
Atatmas Group Sdn Bhd	Investment holding with the subsidiaries involved in export and import of poultry and poultry products and breeding of broiler chicken; trading and commission agents of rubber, general plantation and sales of durian; property development; cultivating and trading in palm oil and other agricultural products, development and operation of power generation from renewable energy projects; wholesale export of durian and other related products and trading of fruits and related products	-	-	-	-	100.0[5]
Duta Megamas Sdn Bhd	Dormant. Its intended business activities are investment holding, property development, cultivating and trading in palm oil and other agricultural products	-	-	-	-	100.0[5]

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Sri Kerdau Commodities Sdn Bhd	Cultivating and trading in palm oil and other agricultural products, development and operation of power generation from renewable energy projects	-	-	-	-	100.0[4]
Sri Kerdau Development Sdn Bhd	Property development	-	-	-	-	100.0[4]
SKC Plantation Sdn Bhd	Property development	-	-	-	-	100.0[4]
Chop Eng Seng Huat Plantation Sdn Bhd	Trading and commission agents of rubber, general plantation and sales of durian	-	-	-	-	100.0[4]
Horizon Star Global Sdn Bhd	Dormant. It was incorporated to be engaged in the business of construction and engineering work and other related services	-	-	-	-	51.0[4]
Martell Development Sdn Bhd	Property development	-	-	-	-	35.0[3]
Kim Dorian Manufacturing Sdn Bhd	Wholesale export of durian and other related products	-	-	-	-	65.0[6]
Kim Dorian Trading Sdn Bhd	Trading of fruits and related products	-	-	-	-	86.0[7]

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

Company/Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect

Past involvement

Nil

Notes:

(1) Deemed interest by virtue of Section 8(4) of the Act through Big Store Poultry Sdn Bhd.

(2) Deemed interest by virtue of Section 8(4) of the Act through Dong Xin (L) Foundation. Tan Teh Sheng is one of the founders, council member and beneficiary of the said foundation.

(3) Deemed interest by virtue of Section 8(4) of the Act through Sri Kerdau Development Sdn Bhd.

(4) Deemed interest by virtue of Section 8(4) of the Act through Atatmas Group Sdn Bhd.

(5) Deemed interest by virtue of Section 8(4) of the Act through Atatmas (L) Foundation. Tan Teh Sheng is a council member and beneficiary of the said foundation.

(6) Deemed interest by virtue of Section 8(4) of the Act through Chop Eng Seng Huat Plantation Sdn Bhd.

(7) Deemed interest by virtue of Section 8(4) of the Act through Kim Dorian Manufacturing Sdn Bhd.

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

(d) Sherene Azura Binti Azli

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Primahealth Innovation Sdn Bhd	Medical laboratories	Director	2 November 2023	24 February 2025	40.0	-
Ara Minds Consulting & Services	Human resource research, development, management and information communications and technology consultancy and services	Sole proprietor	-	-	-	-
Past involvement						
Yayasan Sukarelawan Siswa	Volunteerism through national integration and unity	Director	1 March 2019	9 May 2024	-	-

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

(e) Liew Chee Kar

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
CPE Technology Berhad (listed on the Main Market)	Investment holding with the subsidiaries involved in manufacturing of precision-machined parts and components and provision of computer numerical control machining services	Independent Non-Executive Director	16 June 2022	-	-	-

As at LPD, the directorships of our Directors in other companies are in compliance with Rule 15.06 the ACE Market Listing Requirements as our Directors do not hold more than 5 directorships in public listed companies on Bursa Securities.

The involvement of our Directors in business activities outside our Group do not give rise to any conflict of interest situation with our business.

Further, the involvement of our Managing Director and Executive Director in other businesses or corporations do not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management. Our Managing Director and Executive Director are of the view that although they are involved in other businesses as set out above, they are able to devote sufficient time and attention to the affairs of our Group to carry out their respective duties. The involvement of our Independent Non-Executive Directors in other directorships or business activities outside our Group are not expected to affect their contribution to our Group as they are not involved in our Group's day-to-day operations.

5.2.4 Directors remuneration and benefits

The remuneration of our Managing Director and Executive Director including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. The Director's fees and any benefits payable shall be subject to annual approval by our shareholders pursuant to an ordinary resolution passed at a general meeting in accordance with our Constitution. Please refer to Section 15.3 for further details.

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

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYEs 2025 to 2026 are as follows:

	Directors' fees	Salaries	Bonuses	Other emoluments[1]	Benefits-in-kind	Total
	RM'000					
FYE 2025 (Paid)						
Datuk Ng Seing Liong	36	-	-	-	-	36
Tan Teh Jie	-	144	-	29	41	214
Tan Teh Sheng	-	42	-	12	-	54
Tan Heng Guan[2]	10	-	-	-	-	10
Chong Sai Ching[3]	16	-	-	-	-	16
Sherene Azura Binti Azli[3]	16	-	-	-	-	16
Liew Chee Kar[3]	16	-	-	-	-	16
FYE 2026 (Proposed)						
Datuk Ng Seing Liong	54	-	-	-	-	54
Tan Teh Jie	-	144	-[4]	27	41	212
Tan Teh Sheng	-	42	-[4]	12	-	54
Chong Sai Ching	42	-	-	-	-	42
Sherene Azura Binti Azli	36	-	-	-	-	36
Liew Chee Kar	36	-	-	-	-	36

Notes:

(1) Other emoluments comprise allowances, Employees Provident Fund, Social Security Organisation and Employment Insurance Scheme.

(2) Tan Heng Guan retired from our Board on 24 May 2025.

(3) Chong Sai Ching, Sherene Azura Binti Azli and Liew Chee Kar were appointed to our Board on 5 May 2025. Their Director's fees are pro-rated based on their date of appointment to our Board.

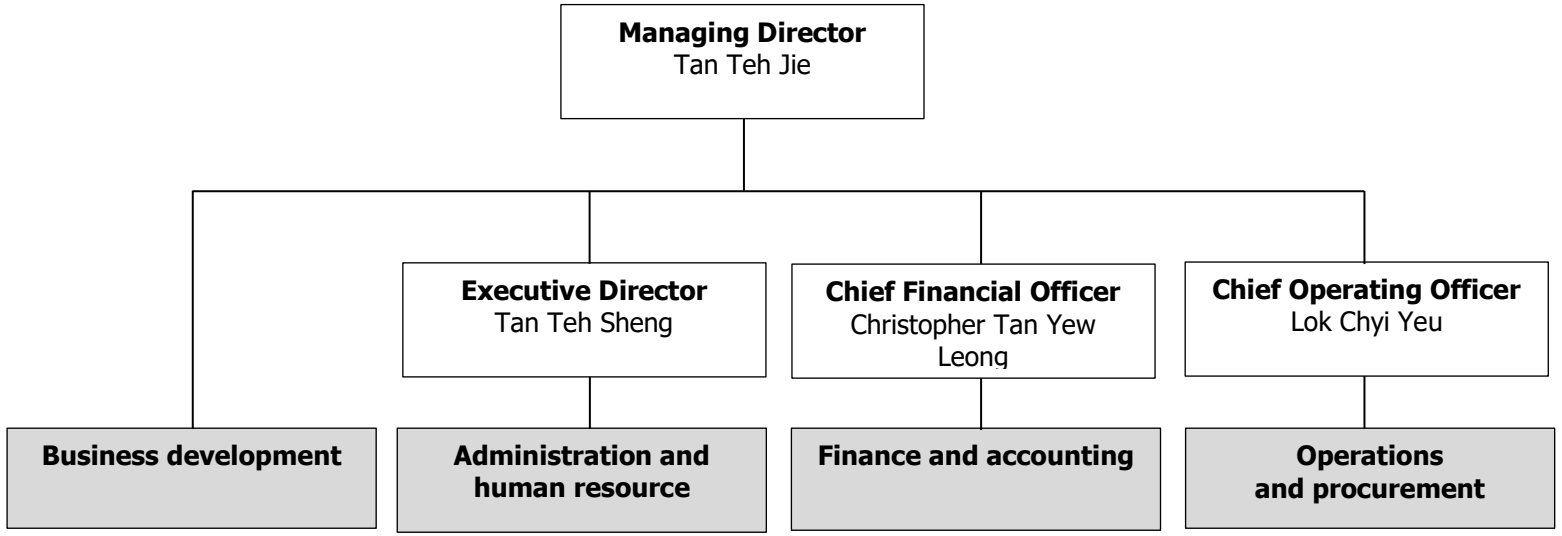
(4) The bonuses for the FYE 2026 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

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

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure

The management reporting structure of our Group is as follows:



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

5.3.2 Key senior management shareholdings

Save for the shareholdings of our Managing Director and Executive Director which are disclosed in Section 5.2.1, the shareholdings of our key senior management in our Company before and after our IPO, assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

		[1]As at LPD/Before IPO				[2][3]After IPO			
		Direct		Indirect		Direct		Indirect	
Name	Designation/ Nationality	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Christopher Tan Yew Leong	Chief Financial Officer/ Malaysian	9,498,500	2.0	-	-	9,798,500	1.7	-	-
Lok Chyi Yeu	Chief Operating Officer/ Malaysian	12,450,000	2.7	-	-	12,755,000	2.2	-	-

Notes:

(1) Based on the share capital of 465,000,040 Shares before our IPO.

(2) After Public Issue and Offer for Sale.

(3) Based on the enlarged share capital of 581,250,040 Shares after our IPO and assuming that our key senior management subscribe in full for their respective entitlements under the Pink Form Allocations.

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

5.3.3 Profiles of key senior management

Save for the profiles of Tan Teh Jie and Tan Teh Sheng, which are set out in Section 5.2.2, the profiles of the other key senior management of our Group are as follows:

Christopher Tan Yew Leong, a Malaysian, age 37, is our Chief Financial Officer. He is responsible for our Group's financial, accounting and taxation functions including statutory and regulatory compliance and reporting.

He graduated with a Bachelor of Commerce (majoring in Accounting and Finance) from the University of South Australia, Australia in December 2011. He is a Certified Practising Accountant Australia since July 2017 and Member of the Malaysian Institute of Accountants since September 2017.

He started his career in C.F. Ng & Co, a small audit firm, as Audit Assistant in March 2012, where he assisted in financial and statutory auditing, as well as preparation of tax computations. In March 2014, he left C.F. Ng & Co to join Nexia SSY PLT, a mid-size audit and accounting firm, as Audit Senior, where he was exposed to various industries encompassing consumer products, steel, property development and information technology sectors and public listed entities. During his tenure with Nexia SSY PLT, he led his team in performing financial and statutory audit and preparation of financial statements. He left Nexia SSY PLT in September 2015.

In October 2015, he joined MY Business Advisory Sdn Bhd, a small accounting and audit firm, as Audit Senior to lead financial and statutory audit engagements targeting Singapore entities. He left MY Business Advisory Sdn Bhd in May 2016.

In June 2016, he joined Ming Feng where he was involved in the preparation of our Company's listing exercise on the LEAP Market and is responsible for overseeing the finance and accounting department. He brings with him more than 10 years of experience in accounting and auditing activities of both private and listed companies.

Please refer to Section 5.3.4(a) for further details of his other directorships and principal business activities performed outside our Group.

He does not have any family relationship with our other Directors and/or substantial shareholders.

Lok Chyi Yeu, a Malaysian, aged 42, is our Chief Operating Officer. He is responsible for overseeing the day-to-day operations of our Group including procurement, QC and assurance and operational safety as well as health and environment activities. He also oversees our sales support activities, particularly dealings and communications with distributors and importers in China.

He graduated with a Bachelor of Information Systems (Honours) Information Systems Engineering from University Tunku Abdul Rahman, Malaysia in March 2006.

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

He started his career in October 2005 when he joined Genius Revolution Sdn Bhd, a former subsidiary of Dynamic Transforms (which ceased to be a subsidiary of Dynamic Transforms in 2016), as a Management Trainee. Subsequently in March 2006, he was transferred to Dynamic Transforms and was promoted to Supervisor where he supervised the workers on the processing of RCEBN. In March 2007, he was appointed Operations Manager, where he was in charge of overseeing the entire production process of the company, from purchasing, processing, and quality checking to packaging, storage and distribution. He was appointed Director of Dynamic Transforms on 31 October 2016, and subsequently on August 2017, he was appointed Chief Executive Officer of Dynamic Transforms.

He joined our Group in 2018 after the acquisition of Dynamic Transforms by Ming Feng. He was designated the Chief Operating Officer of our Group on 1 November 2024.

Please refer to Section 5.3.4(b) for further details of his other directorships and principal business activities performed outside our Group.

He does not have any family relationship with our other Directors and/or substantial shareholders.

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

5.3.4 Principal business performed outside our Group

Save as disclosed below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group as at LPD:

(a) Christopher Tan Yew Leong

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Martell Development Sdn Bhd	Property development	Director	28 October 2020	-	-	35.0[(1)]
Heshen Capital (M) Sdn Bhd	Yet to commence business. Its intended business activity is money lending and consultancy services	Director	16 October 2023	-	-	-
Centricity Development Sdn Bhd	Investment holding and property investment holding *Company had submitted an application for strike off on 22 August 2025*	Director	27 October 2020	-	50.0	-
Armada Promosi Sdn Bhd	Provision of limousine services, car leasing and related services *Company had submitted an application for strike off on 22 August 2025*	Director	29 December 2021	-	100.0	-
Spektra Bonanza Sdn Bhd	Investment holding *Company had submitted an application for strike off on 22 August 2025*	Director	1 May 2021	-	100.0	-
Kelsand Sdn Bhd	Extraction and dredging of industrial sand *Company had submitted an application for strike off on 10 September 2025*	Director	31 December 2019	-	100.0	-

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

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Forlenza Technologies Sdn Bhd	Investment holding and supply of mining related services *Company had submitted an application for strike off on 22 August 2025*	Director	29 December 2021	-	100.0	-

Note:

(1) Deemed interest by virtue of Section 8(4) of the Act through Centricity Development Sdn Bhd.

(b) Lok Chyi Yeu

Company/ Business	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Market Performance Sdn Bhd	General trading in coffee capsules and coffee machines. Company is currently not active	Director	15 December 2006	-	45.0	-

The involvement of our key senior management in the above business activities outside our Group will not affect the operations of our Group nor their ability to perform their roles and responsibilities as well as contribution to our Group.

Their involvement in the above principal businesses do not require significant amount of time as they do not hold any executive position in these companies or the business of these companies are inactive and hence, they do not require to spend a significant amount of time on the affairs of these companies. Hence, our key senior management's involvement in these companies do not materially and adversely affect their contribution to our Group.

As such, our key senior management devotes most of their working time and effort to their executive functions in our Group. Their ability to act as the key senior management of our Group is not expected to change going forward.

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

5.3.5 Key senior management remuneration and benefits

The remuneration of our key senior management including salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management (save for our Managing Director and Executive Director which are disclosed in Section 5.2.4) for services rendered in all capacities to our Group for FYEs 2025 and 2026 are as follows:

	(in bands of RM50,000)		
	[(1)]Remuneration	**Benefits-in-kind**	**Total**
	RM'000	**RM'000**	**RM'000**
FYE 2025 (Paid)			
Christopher Tan Yew Leong	150 – 200	41	200 - 250
Lok Chyi Yeu	100 – 150	-	100 – 150
FYE 2026 (Proposed)[(2)]			
Christopher Tan Yew Leong	150 – 200	41	200 - 250
Lok Chyi Yeu	100 – 150	-	100 – 150

Notes:

(1) The remuneration for key senior management includes salaries, allowances, Employees Provident Fund, Social Security Organisation and Employment Insurance Scheme.

(2) The bonuses for FYE 2026 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

5.4 BOARD PRACTICE

5.4.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

(a) Reviewing and adopting strategic plans for our Group, including setting performance objectives and approving operating budgets and ensuring that strategies promote sustainability.

(b) Overseeing the conduct of our Group's business to evaluate whether the business is being properly managed, monitoring our Group's performance and build sustainable value for all stakeholders;

(c) Identifying and evaluating principal business risks and ensuring the implementation of a managed and sound risk management framework;

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

(d) Succession planning including appointing, training, fixing the compensation of and, where appropriate, replacing of Board members and senior management and to ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;

(e) Developing and implementing an investors' relations programme or shareholder communication policy for our Company to enable effective communication with stakeholders;

(f) Reviewing the adequacy and the integrity of our Group's internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

(g) Establishing and maintaining effective and adequate anti-corruption compliance policies and framework and whistleblowing reporting channel and ensuring systematic review, monitoring and enforcement of our Company's anti-corruption policy;

(h) Establish Board committees and delegate authority to such committees to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon; and

(i) Promoting good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour.

In accordance with our Constitution, an election of Directors shall take place each year at the Annual General Meeting ("**AGM**") of our Company, where one-third of our Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires whether adjourned or not. The election of each Director is voted separately.

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

Director	Designation	Date of appointment	Date of expiration of the current term of office	Approximate no. of years and months in office
Datuk Ng Seing Liong	Independent Non-Executive Chairman	16 November 2018	At the AGM in 2026 of our Company	Less than 8 years
Tan Teh Jie	Managing Director	9 April 2018	At the AGM in 2027 of our Company	8 years
Tan Teh Sheng	Executive Director	9 April 2018	At the AGM in 2026 of our Company	8 years
Chong Sai Ching	Independent Non-Executive Director	5 May 2025	At the AGM in 2027 of our Company	1 year
Sherene Azura Binti Azli	Independent Non-Executive Director	5 May 2025	At the AGM in 2028 of our Company	1 year
Liew Chee Kar	Independent Non-Executive Director	5 May 2025	At the AGM in 2028 of our Company	1 year

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

The composition of our Board is in compliance with the MCCG.

5.4.2 Audit and Risk Management Committee

Our Board has the overall responsibility for risk oversight and risk management within our Group. However, as a committee of our Board, our Audit and Risk Management Committee is to assist our Board in fulfilling its oversight responsibilities and shall lead our strategic direction in the management of our business risks, including oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes. The Audit and Risk Management Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

(a) To discuss, consider and deliberate on periodic basis, matters relating to internal controls, regulatory reporting and risk management as business and economic landscape evolve with emergence of new opportunities and risks and to evaluate the measures taken to mitigate the business risks;

(b) To assess the level of competency, suitability, independence and resources as well as to review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;

(c) To review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;

(d) To review and monitor any related party transactions/business dealings entered into by our Group and any conflict of interest situations that arise, persists or may arise within our Group including any transactions, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts;

(e) To oversee any investigation of activities within its terms of reference and to consider the major findings of internal investigations and management's response;

(f) To oversee and recommend the risk management policies and procedures of our Group and to review the risk profile of our Group and to review the adequacy of management response, ensuring that our risks are managed within our Group's risk appetite;

(g) To perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conducts its business and affairs;

(h) To review the adequacy of the scope, competency and resources of the internal audit function, to assess the performance of the members of the internal audit function and to monitor the overall performance of our Company's internal audit function;

(i) To consider other areas as defined by our Board or as may be prescribed by Bursa Securities or any other relevant authority from time to time; and

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

(j) To perform such other functions that may be mutually agreed upon by our Audit and Risk Management Committee and our Board.

The recommendations of our Audit and Risk Management Committee are subject to the approval of our Board.

The members of our Audit and Risk Management Committee as at LPD are as follows:

Name	Designation	Directorship
Chong Sai Ching	Chairman	Independent Non-Executive Director
Sherene Azura Binti Azli	Member	Independent Non-Executive Director
Liew Chee Kar	Member	Independent Non-Executive Director

Our Nomination Committee will review the composition, performance and effectiveness of our Audit and Risk Management Committee annually.

5.4.3 Remuneration Committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

(a) To recommend a remuneration framework for our Managing Director, Executive Director and key senior management for our Board's approval to ensure corporate accountability and governance with respect to our Board's remuneration and compensation. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefits-in-kind;

(b) To recommend specific remuneration packages for our Managing Director, Executive Director and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board;

(c) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of our Managing Director, Executive Director and key senior management;

(d) To implement the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of our Board and key senior management; and

(e) To perform any other functions as defined by our Board.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

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

The members of our Remuneration Committee as at LPD are as follows:

Name	Designation	Directorship
Liew Chee Kar	Chairman	Independent Non-Executive Director
Chong Sai Ching	Member	Independent Non-Executive Director
Sherene Azura Binti Azli	Member	Independent Non-Executive Director

5.4.4 Nomination Committee

Our Nomination Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

(a) To assist our Board in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;

(b) To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees;

(c) To evaluate the effectiveness of our Board and the relevant Board committees;

(d) To establish the mechanisms for the formal assessment on the effectiveness of our Board as a whole and the effectiveness of each Director. The annual assessment to be conducted would be based on objective performance criteria approved by our Board;

(e) To ensure that all Directors receive appropriate continuous training in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements;

(f) To assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from our Director and thereafter, to inform our Audit and Risk Management Committee of the same. After deliberation with our Audit and Risk Management Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest;

(g) To ensure an appropriate framework and succession planning for our Board, including our Managing Director and Executive Director; and

(h) To consider and examine such other matters as our Nomination Committee considers appropriate.

The recommendations of our Nomination Committee are subject to the approval of our Board.

The members of our Nomination Committee as at LPD are as follows:

Name	Designation	Directorship
Sherene Azura Binti Azli	Chairman	Independent Non-Executive Director
Chong Sai Ching	Member	Independent Non-Executive Director
Liew Chee Kar	Member	Independent Non-Executive Director

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

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

Save as disclosed below, there are no family relationships (as defined under Section 197 of the Act) or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD:

(a) Tan Teh Jie who is our Promoter, substantial shareholder and Managing Director, is the brother of Tan Teh Sheng, son of Tan Heng Guan and nephew of Tan Beng Heng;

(b) Tan Teh Sheng who is our Promoter, substantial shareholder and Executive Director, is the brother of Tan Teh Jie, son of Tan Heng Guan and nephew of Tan Beng Heng;

(c) Tan Heng Guan who is our Promoter and substantial shareholder, is the father of Tan Teh Jie and Tan Teh Sheng and the brother of Tan Beng Heng; and

(d) Tan Beng Heng who is our Promoter and substantial shareholder, is the brother of Tan Heng Guan and uncle of Tan Teh Jie and Tan Teh Sheng.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at LPD, there are no existing or proposed service agreements entered into between our Company with any Directors; or between any companies within our Group with any key senior management which provide for benefits upon termination of employment.

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

(a) In the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a director or a member of the key senior management;

(b) Disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(c) In the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(d) In the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

(e) In the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(f) Being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;

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

(g) In the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or

(h) Has any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia on 9 April 2018 under the Act as a private limited company under the name of Enest Group Sdn Bhd. On 16 November 2018, our Company was converted into a public limited company and adopted our present name. Subsequently, our Company was listed on the LEAP Market on 7 August 2019.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in the processing and sale of RCEBN, trading of EBN, and sale of processed bird's nest products. In addition, we are also involved in the operations of a health and personal care retail store under the trade name 'Kang Li'. Save for the operations of a health and personal care retail store, there has been no material change in the manner in which we conduct our business or activities since our listing on the LEAP Market. Please refer to Section 7.1 for a detailed information on our Group's history.

As at LPD, our share capital is RM5,431,272.00 comprising 465,000,040 Shares, all of which have been issued and fully paid-up. The movements of our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital	
			No. of Shares	RM
9 April 2018	2	RM2.00/ Subscriber's shares	2	2.00
12 September 2018	20,750,000	RM2,075,000.00/ Consideration pursuant to the Ming Feng Acquisition	20,750,002	2,075,002.00
23 November 2018	415,000,040	Nil/ Subdivision of Shares(1)	415,000,040	2,075,002.00
5 August 2019	50,000,000	RM4,000,000.00/ Shares issued pursuant to the listing on the LEAP Market	465,000,040	(2)5,431,272.00

Notes:

(1) Subdivision of every 1 share into 20 Shares. Prior to the subdivision, our issued share capital was RM2,075,002, comprising 20,750,002 Shares. Upon completion of the subdivision, our issued share capital was RM2,075,002, comprising 415,000,040 Shares.

(2) After deducting expenses of approximately RM0.64 million in relation to our listing on the LEAP Market.

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM20,543,772 (prior to the capitalisation of estimated listing expenses) comprising 581,250,040 Shares.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.2 DETAILS OF THE TRANSFER LISTING

Our Company will undertake the Transfer Listing, comprising the Withdrawal and Listing. On 19 February 2025, an extraordinary general meeting was held in relation to the Transfer Listing and our shareholders had voted in favour of the Transfer Listing.

6.2.1 Withdrawal

Requirements for the Withdrawal pursuant to the LEAP Market Listing Requirements

Pursuant to Rule 8.05 of the LEAP Market Listing Requirements, Bursa Securities may grant our Company the request to withdraw our listing status from the LEAP Market. In accordance with Rule 8.06(1) of the LEAP Market Listing Requirements, our Company may not request to withdraw our listing from the LEAP Market unless:

(a) our Company convenes a general meeting to obtain the shareholders' approval and a separate meeting for approval of the holders of any other class of listed securities, if applicable, and the circular sent to the shareholders includes the information set out in Appendix 8B of the LEAP Market Listing Requirements;

(b) the passing of the resolution for the Withdrawal is subject to the following conditions:

  (i) the resolution is approved by a majority of shareholders and holders of any other class of listed securities, if applicable, in number, representing 75.0% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting, either in person or by proxy at each general meeting; and

  (ii) the number of votes cast against the resolution, if any, by each class of listed securities respectively, if applicable, is not more than 10.0% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each general meeting;

(c) the shareholders and holders of any other class of listed securities, if applicable, are offered a reasonable cash alternative or other reasonable alternative ("**Exit Offer**"); and

(d) our Company appoints an independent adviser to advise and make recommendations for the consideration of the shareholders and holders of any other class of listed securities, if applicable, in connection with the withdrawal of our listing as well as the fairness and reasonableness of the Exit Offer ("**Appointment of IA**").

6.2.2 Exemptions

Tan Heng Guan, Tan Teh Sheng and Tan Teh Jie, being our major shareholders, have expressed that they do not intend to extend the Exit Offer pursuant to the Withdrawal. Accordingly, the Appointment of IA will not be necessary as the scope of independent adviser will be limited given that there will be no fairness and reasonableness to be assessed by the independent adviser pertaining to the Exit Offer.

6. INFORMATION ON OUR GROUP *(Cont'd)*

Our Company had sought the approval of Bursa Securities for an exemption from having to comply with the requirement to extend an Exit Offer pursuant to Rule 8.06(1)(c) of the LEAP Market Listing Requirements and for the Appointment of IA pursuant to Rule 8.06(1)(d) of the LEAP Market Listing Requirements ("**Exemptions**").

In support of the Exemptions, all of our shareholders had via their undertaking letters irrevocably and unconditionally undertaken the following:

(a) waive the requirements for the Exit Offer and the Appointment of IA;

(b) vote in favour of the Transfer Listing at our Company's extraordinary general meeting;

(c) continue to hold and will not dispose of, transfer of or reduce their entire shareholdings in our Company until the completion of the Transfer Listing[(1)]; and

(d) not to withdraw their written undertakings before the completion of the Transfer Listing.

Note:

(1) For information purposes, Tan Heng Guan and Tan Teh Sheng had on 12 June 2024, and Tan Teh Jie had on 11 June 2024, provided their respective irrevocable and unconditional written undertakings to continue to hold and not to dispose of, transfer of or reduce their entire shareholdings in our Company until the completion of the Transfer Listing, save for the Offer Shares pursuant to the Offer for Sale which will be undertaken by the Selling Shareholders in conjunction with our Listing.

The Exemptions were approved by Bursa Securities vide its letter dated 8 October 2024, subject to the condition that the undertakings set out in the irrevocable and unconditional written undertaking letters provided by all the shareholders of our Company remain valid and binding until the completion of the Withdrawal.

6.2.3 Listing

Our Listing entails the listing of and quotation for the entire enlarged issued share capital of our Company on the ACE Market. Pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE Market Listing Requirements, a LEAP Market listed corporation that is seeking to transfer its listing to the ACE Market must:

No.	Requirements	Status of compliance
(a)	have been listed for at least 2 years on the LEAP Market at the time of application for transfer of listing;	Complied. We have been listed on the LEAP Market for more than 6 years since 7 August 2019.
(b)	be considered as suitable for listing after the assessment by a Sponsor (as defined in the ACE Market Listing Requirements) or both the Sponsor and Recognised Approved Adviser (as defined in the ACE Market Listing Requirements) as Joint Transfer Sponsor (as defined in the ACE Market Listing Requirements) pursuant to Rule 4.07 of the ACE Market Listing Requirements;	Complied. Our Sponsor has completed the listing suitability assessment of our Company, which involves amongst others assessing our business and industry prospects, corporate governance records, systems, procedures, policies, resources to comply with the ACE Market Listing Requirements as well as our internal control and risk management systems.

6. INFORMATION ON OUR GROUP *(Cont'd)*

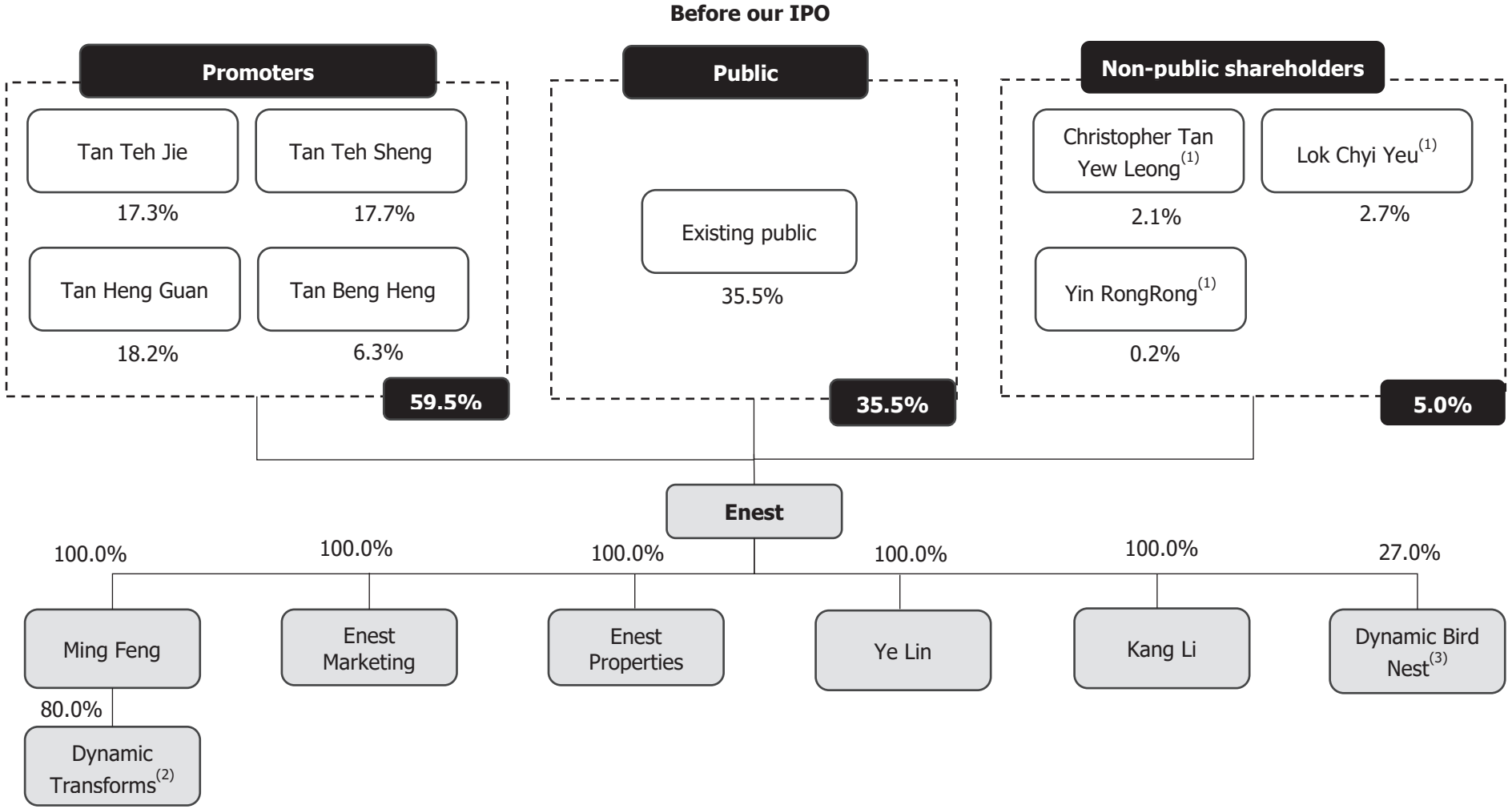
No.	Requirements	Status of compliance
(c)	comply with Chapters 3 and 3A of the ACE Market Listing Requirements, as the case may be, subject to the additional requirements, modifications or exceptions set out in Chapter 3A of the ACE Market Listing Requirements;	Complied.
(d)	undertake an issue of shares to the general public as part of its transfer of listing; and	To be complied. The Public Issue will be undertaken in conjunction with our Listing. Kindly refer to Section 4.3 for further details on the Public Issue.
(e)	comply with the relevant admission procedures and requirements as may be prescribed by Bursa Securities.	Complied.

Further, in accordance with Rule 3A.02(2) of the ACE Market Listing Requirements, our Board has appointed M&A Securities as our Sponsor for the Transfer Listing.

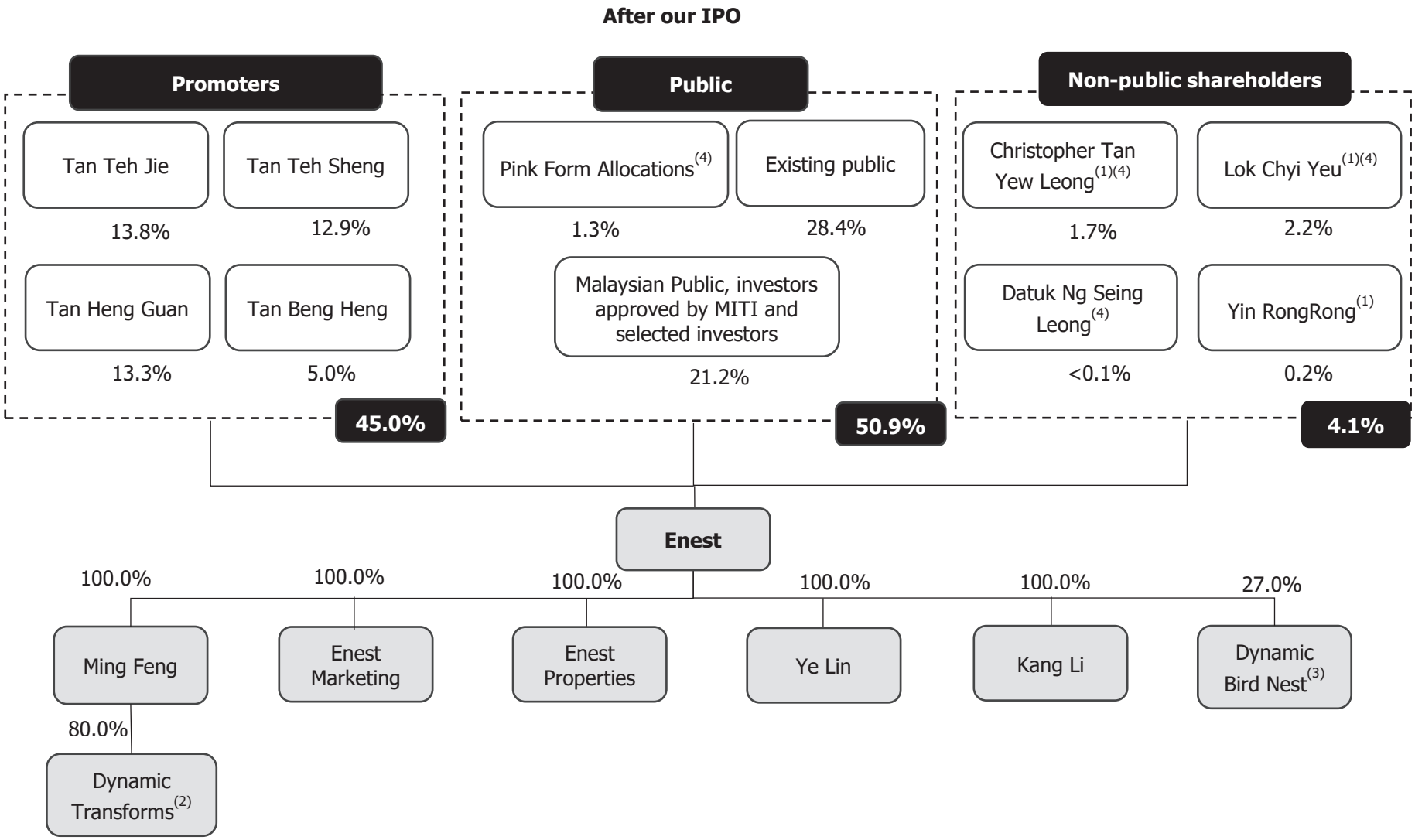
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6. INFORMATION ON OUR GROUP *(Cont'd)*

6.3 GROUP STRUCTURE



6. INFORMATION ON OUR GROUP *(Cont'd)*



6. INFORMATION ON OUR GROUP *(Cont'd)*

Notes:

(1) Yin RongRong is the spouse of our Managing Director, whilst Christopher Tan Yew Leong and Lok Chyi Yeu are our key senior management and directors of certain of our subsidiaries.

(2) The remaining 20.0% equity interest in Dynamic Transforms are held by Yong John Yoon (3.0%), Yong Jack Yoon (3.0%), Yong Hin Seng (4.0%) and Yang Yueyu (10.0%), all of whom are unrelated parties to our Promoters, Directors and/or substantial shareholders.

(3) 63.0% equity interest in Dynamic Bird Nest is held by Myboce Marketing Sdn Bhd and the remaining 10.0% equity interest is held by Wan Mohd Hazrie Bin Wan Mokhtar. Myboce Marketing Sdn Bhd are held 60.0% by Goh Teck Bin and 40.0% by Lau Yee Wu. Wan Mohd Hazrie Bin Wan Mokhtar, Goh Teck Bin and Lau Yee Wu are unrelated parties to our Promoters, Directors and/or substantial shareholders.

(4) Assuming that all our eligible Director, employees and persons who have contributed to the success of our Group will subscribe in full for their entitlements under the Pink Form Allocations.

6.4 SUBSIDIARIES AND ASSOCIATED COMPANY

Details of our subsidiaries and associated company as at LPD are summarised as follows:

Company/ Registration no.	Date/Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM	%	
Subsidiaries					
Ming Feng *(Registration No. 201501003577 (1128909-P))*	26 January 2015/ Malaysia	Malaysia	1,699,892.00	100.0	Processing and sale of RCEBN
Dynamic Transforms *(Registration No. 200301004106 (606526-P))*	19 February 2003/ Malaysia	Malaysia	600,000.00	80.0	Processing and sale of RCEBN
Ye Lin *(Registration No. 91310115MA1K3FWH7W)*	22 August 2016/ China	China	(1)-	100.0	Importing of RCEBN into China

6. INFORMATION ON OUR GROUP *(Cont'd)*

Company/ Registration no.	Date/Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM	%	
Enest Marketing *(Registration No. 202101014889 (1415189-U))*	20 April 2021/ Malaysia	Malaysia	100.00	100.0	Trading of RUBN and sale of processed bird's nest products
Kang Li *(Registration No. 202101005731 (1406030-A))*	18 February 2021/ Malaysia	Malaysia	510,100.00	100.0	Operations of health and personal care retail store
Enest Properties *(Registration No. 202001026728 (1383048-W))*	7 September 2020/ Malaysia	Malaysia	1,000,000.00	100.0	Property investment holding
Associated company					
Dynamic Bird Nest *(Registration No. 201901034136 (1343466-H))*	23 September 2019/ Malaysia	Malaysia	100.00	27.0	Yet to commence operations. The intended principal activity is exporting of RUBN to China

Note:

(1) Pursuant to the Articles of Association of Ye Lin as amended on 9 April 2026, Ye Lin has a registered capital of USD144,521 (equivalent to RM573,170 based on Bank Negara Malaysia ("BNM")'s exchange rate as at LPD) but nil contributed capital. Our Company is required to perform our contribution obligation of USD 144,521 by 16 October 2029. In the event our Company is unable to fulfil our contribution obligation by 16 October 2029,

(a) Ye Lin may be subject to a fine of between RMB50,000 and RMB200,000 (equivalent to RM29,225 and RM116,900 respectively based on BNM's exchange rate as at LPD). In some cases, a fine ranging from 5% to 15% of the unpaid capital amount may be imposed;

(b) the legal representative or the responsible person of Ye Lin may be subject to a fine of between RMB10,000 and RMB100,000 (equivalent to RM5,845 and RM58,450 respectively based on BNM's exchange rate as at LPD); and

(c) Ye Lin may be included in the "List of Abnormal Business Operations" by the State Administration for Market Regulation.

Companies listed in the List of Abnormal Business Operations may face various consequences, including restrictions on corporate filings, negative effects on its credit and public records, difficulties in opening or maintaining bank accounts, heightened regulatory scrutiny, and potential limitations on its legal representatives/responsible persons when serving in similar roles in other companies. Once the underlying issue is rectified, the company may apply for removal from the list.

Barring any administrative/compliance delays in respect of international remittance, our Company expects to complete its contribution obligation by end December 2026.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for the FYE 2022 to FYE 2025, and up to LPD:

(a) Sale and purchase agreement dated 28 April 2023 entered into between Enest Properties (as purchaser) and Tropicana Residences Sdn Bhd (as vendor) for the acquisition of a unit of serviced apartment distinguished as Unit No. 45-08 and 2 car park bays held under Accessory Parcels No. B3-35 and B3-35a held under Strata Title Geran 51952/M1/46/275 Lot 194, Section 58, within the Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, measuring 145 square metres in area and bearing the postal address of 45-08, Menara TR-Tropicana The Residences, 121, Jalan Ampang, 50450 Kuala Lumpur for a cash consideration of RM2,499,600.00 (nett of rebates). The transaction was completed on 18 June 2024. The purchase consideration was arrived at on a "willing buyer willing seller" basis after taking into account recently transacted comparable transactions;

(b) Sale and purchase agreement dated 31 October 2023 entered into between Enest Properties (as purchaser) and NCT Land Sdn Bhd (as developer) for the acquisition of a piece of leasehold land located at NCT Smart Industrial Park, measuring 1,208 square metres in land area, held under HS (D) 50525 PT 54404 in the Mukim of Tanjong Duabelas, District of Kuala Langat, Selangor, together with a 2 storey semi-detached factory to be erected thereon known as Unit B16 for a cash consideration of RM3,166,500.00 (nett of rebates). The transaction is currently ongoing and is estimated to be completed within 36 months from the date of the agreement;

(c) Sale and purchase agreement dated 31 October 2023 entered into between Enest Properties (as purchaser) and NCT Land Sdn Bhd (as developer) for the acquisition of a piece of leasehold land located at NCT Smart Industrial Park, measuring 1,208 square metres in land area, held under HS (D) 50526 PT 54405 in the Mukim of Tanjong Duabelas, District of Kuala Langat, Selangor, together with a 2 storey semi-detached factory to be erected thereon known as Unit B17 for a cash consideration of RM3,166,500.00 (nett of rebates). The transaction is currently ongoing and is estimated to be completed within 36 months from the date of the agreement;

(d) Share sale agreement dated 17 April 2024 entered into between Enest (as vendor) and Puah Chuan Hock (as purchaser) for the sale of 200,000 ordinary shares in Martell Swiftlets Sdn Bhd (formerly known as Enest Swiftlets Sdn Bhd), representing 100% equity interest, for a cash consideration of RM900,000.00. The transaction was completed on 18 November 2024. The disposal consideration was arrived at on a "willing buyer willing seller" basis after taking into account recently transacted comparable transactions; and

(e) Underwriting Agreement.

6.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to LPD, there were:

(a) No public take-over offers by third parties in respect of our Shares; and

(b) No public take-over offers by our Company in respect of other companies' shares.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.7 MAJOR APPROVALS, LICENCES AND PERMITS

As at LPD, there are no other major approvals, licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(a)	Dynamic Transforms	MOH	22 October 2024/ 21 October 2027[1]	GMP Certificate Certificate certifying that Dynamic Transforms of 15B, 15C & 13C Jalan PS 9/2 Prima Selayang, 68100 Batu Caves, Selangor[2] has fulfilled the terms and conditions for implementation of GMP system/ Certification No. GM0218013-2/1	(i) Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. Certification will be automatically void should the factory or premise cease operation. (ii) The use of the logo is only allowed for food product that is being produced in the premise as stated in the certificate.	Noted Complied
(b)	Dynamic Transforms	DVS, Ministry of Agriculture and Food Security Malaysia	10 November 2025/ 31 December 2027[1]	VHM Certificate Certificate certifying that Dynamic Transforms of 15B, 15C & 13C Jalan PS 9/2, Prima Selayang, 68100 Batu Caves, Selangor[2] has fulfilled the DVS requirements and the implementation of the Quality Assurance Program and HACCP system/ Serial No. 262/25	(i) The use of the logo is only permitted for products and premises that have been approved by DVS. (ii) Any changes in management, plant, additional product and processing operations have to be promptly notified to DVS no later than 30 days after such changes.	Complied Noted

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(iii) The management of approved establishments are permitted to the use of the logo only for the period as stated on the Certificate.	Complied
					(iv) The Certificate can be withdrawn on the following conditions:	
					(1) when major non-compliance is observed during surveillance and review audits;	Noted
					(2) when there is a change in the location of the premises used for normal operations as compared to the time of award of the logo by DVS;	Noted
					(3) changes in the management of the company not being notified to DVS;	Noted
					(4) change in the operational system as compared to the one approved at the time of award by DVS; or	Noted

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(c)	Dynamic Transforms	MOH	22 October 2024/ 21 October 2027[1]	HACCP Certificate Certificate certifying that Dynamic Transforms of 15B, 15C & 13C Jalan PS 9/2, Prima Selayang, 68100 Batu Caves, Selangor[2] has fulfilled the terms and conditions for implementation of the HACCP system for its RCEBN and EBN products/ Certification No. HA0218003-3/1	(i) Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. Certification will be automatically void should the factory or premise cease operation. (ii) The use of the logo is only for food product that is being produced in the premise as stated in the Certificate.	Noted Complied
(d)	Dynamic Transforms	JAKIM	16 December 2025/ 15 December 2027	Halal Certificate Certificate certifying the RCEBN manufactured/ distributed/ managed by Dynamic Transforms of 15B, 15C & 13C Jalan PS 9/2, Prima Selayang, 68100 Batu Caves, Selangor[2] has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Islamic Religious Department of Selangor/ Reference No. JAKIM.700-2/3/1 055-12/2013	(i) Any changes to the name or address of the company, factory or premise, brands, ingredients, suppliers or anything related thereto shall be informed in writing to JAKIM and/ or the State Islamic Religious Affairs Council ("MAIN")/State Department of Islamic Religious Affairs ("JAIN") for further action. (ii) The certificate holder shall exhibit the logo on the product, premise or services as stated in the Certificate. (iii) The Certificate shall be exhibited only at the address as stated in the Certificate.	Noted Complied Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(iv) A renewal application shall be made at the earliest 6 months or no later than 3 months before the expiry of the Certificate.	Complied
(e)	Dynamic Transforms	MOH	2 January 2025/ 21 October 2027(1)	MeSTI Certificate Certificate certifying that Dynamic Transforms of 15B, 15C & 13C Jalan PS 9/2 Prima Selayang, 68100 Batu Caves, Selangor(2) fulfils the terms and conditions for certification of MeSTI i.e. has appropriate standards of procedure in place for the implementation of food safety assurance program/ Certification No. ME1224069-0/1	(i) Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. The Certification will be automatically void should the factory or premise cease operation. (ii) The use of the logo is only allowed for food product that is being produced in the premise as stated in the Certificate.	Noted Complied
(f)	Lok Chyi Yeu (on behalf of Dynamic Transforms)	MOH	26 September 2023/ 26 September 2026(1)	Certificate of Registration of Food Premise Certificate certifying that Dynamic Transforms of 15B, 15C & 13C Jalan PS 9/2, Prima Selayang, 68100 Batu Caves, Selangor is permitted to operate food premises involved in food manufacturing(2)/ Registration No. FSSM091100303-01	The licence shall be displayed at all times in the premises.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(g)	Dynamic Transforms	Selayang Municipal Council	1 January 2026/ 31 December 2026	Business Premise Licence Licence for warehouse/freezer room (Buy and Store) at 15, Jalan PS 9/2, Prima Selayang, 68100 Batu Caves, Selangor/ Account No. 61723/ Ref No. MPS 2/29-1133 (P)	(i) Every licence issued by the Selayang Municipal Council will expire on 31 December each year and shall be renewed before or on the expiry date. 10% of the licence fee shall be chargeable for payment made after 31 December.	Noted
					(ii) Any change or alteration of information in the licence or revocation of the licence must be submitted to the Licensing Department of the Selayang Municipal Council.	Noted
					(iii) The licence holder shall at all times display the premise licence at a visible location to ease the enforcement work being carried out by the Selayang Municipal Council.	Complied
(h)	Dynamic Transforms	Selayang Municipal Council	1 January 2026/ 31 December 2026	Business Premise Licence Licence for business office at 15A Jalan PS 9/2, Prima Selayang, 68100 Batu Caves, Selangor/ Account No. 60142/ Ref No. MPS.2/6-11746 (PI)	(i) Every licence issued by Selayang Municipal Council will expire on 31 December each year and shall be renewed before or on the expiry date. 10% of the licence fee shall be chargeable for payment made after 31 December.	Noted

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(ii) Any change or alteration of information in the licence or revocation of the licence must be submitted to the Licensing Department of the Selayang Municipal Council.	Noted
					(iii) The licence holder shall at all times display the premise licence at a visible location to ease the enforcement work being carried out by the Selayang Municipal Council.	Complied
(i)	Dynamic Transforms	Selayang Municipal Council	1 January 2026/ 31 December 2026	Business Premise Licence Licence for bird's nest business, cleaning and packaging of bird's nest at 13C Jalan PS 9/2, Taman Prima Selayang, 68100 Batu Caves, Selangor/ Account No. 70955/ Ref No. MPS.2/13-1 (S)	(i) Every licence issued by the Selayang Municipal Council will expire on 31 December each year and shall be renewed before or on the expiry date. 10% of the licence fee shall be chargeable for payment made after 31 December.	Noted
					(ii) Any change or alteration of information in the licence or revocation of the licence must be submitted to the Licensing Department of the Selayang Municipal Council.	Noted
					(iii) The licence holder shall at all times display the premise licence at a visible location to ease the enforcement work being carried out by the Selayang Municipal Council.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(j)	Dynamic Transforms	Selayang Municipal Council	1 January 2026/ 31 December 2026	Business Premise Licence Licence for administrative office, grocery store to supply healthy food and to process bird's nest at 15B & 15C Jalan PS 9/2, Prima Selayang, 68100 Batu Caves, Selangor/ Account No. 48909/ Ref No. MPS 2/6-10417 (PI)	(i) Every licence issued by the Selayang Municipal Council will expire on 31 December each year and shall be renewed before or on the expiry date. 10% of the licence fee shall be chargeable for payment made after 31 December.	Noted
					(ii) Any change or alteration of information in the licence or revocation of the licence must be submitted to the Licensing Department of the Selayang Municipal Council.	Noted
					(iii) The licence holder shall at all times display the premise licence at a visible location to ease the enforcement work being carried out by the Selayang Municipal Council.	Complied
(k)	Dynamic Transforms	GACC	1 August 2018/ 31 July 2028	Registration of Overseas Manufacturer of EBN Registration No.: CMYS03011808010026/ A3A003	(i) The food safety management system of the country (region) where it is located has passed the equivalent assessment and examination by GACC.	Complied
					(ii) It has been established with the approval of the competent authority of the country (region) where it is located and under the effective regulation thereof.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed		Compliance status
					(iii)	It has established an effective food safety, hygiene management and protection system, lawfully manufactures and exports the food in the country (region) where it is located, and ensures that the food exported to China complies with the relevant laws and regulations and food safety standards of China.	Complied
					(iv)	It complies with the relevant inspection and quarantine requirements agreed upon by GACC and the competent authority of the country (region) where it is located.	Complied
(l)	Ming Feng	Kajang Municipal Council	1 January 2026/ 31 December 2026	Business Premise Licence Trade, Business and Industrial Licence for processing, packaging and selling bird nest at No. 2-First Floor, 2B-2 & 2B-M, Jalan Semenyih, 43000 Kajang, Selangor and for packaging and selling bird nest at No. 2B-G Jalan Semenyih, 43000 Kajang, Selangor/ Account No. LBUS-07581/ File No. MPKJ/CL/1/140/2015	(i)	The licence shall expire on 31 December each year or such other period approved by the licensing authority.	Noted
					(ii)	The licence shall be displayed at a visible location in the licensed premises at all times.	Complied
					(iii)	The license shall be renewed before expiry and may be renewed 3 months prior to its expiration date.	Noted

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(iv) The owner of the premises must inform the licensing authority of any change of ownership of any premises under the control of the licensing authority.	Noted
(m)	Ming Feng	Kajang Municipal Council	6 April 2026/ 5 April 2027	Business Premise Licence Licence for business office for premise at: PT 39461, Tingkat 1, Seksyen 7, Bandar Kajang, 43000, Kajang/ Account No. LBUS-13189/ File No. MPKJ/CL/1/238/2022#	(i) The licence shall expire on 31 December each year or such other period approved by the licensing authority.	Noted
					(ii) The licence shall be displayed at a visible location in the licensed premises at all times.	Complied
					(iii) The licence shall be renewed before expiry and may be renewed 3 months prior to its expiration date.	Noted
					(iv) The owner of the premises must inform the licensing authority of any change of ownership of any premises under the control of the licensing authority.	Noted

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(n)	Ming Feng	MOH	9 August 2023/ 8 August 2026(1)	GMP Certificate Certificate certifying that Ming Feng of No. 2-First Floor, 2B-G, 2B-M & 2B-2, Jalan Semenyih, 43000 Kajang, Selangor has fulfilled the terms and conditions for implementation of the GMP system/ Certification No. GM0519008-1/1	(i) Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. Certification will be automatically void should the factory or premise cease operation.	Noted
					(ii) The use of the logo is only allowed for food product that is being produced in the premise as stated in the Certificate.	Complied
(o)	Ming Feng	JAKIM	16 November 2024/ 15 November 2026	Halal Certificate Certificate certifying the RCEBN manufactured/ distributed/managed by Ming Feng of No. 2-First Floor, 2B-G, 2B-M & 2B-2, Jalan Semenyih, 43000 Kajang, Selangor, has complied with the Islamic Law and Malaysian Halal Standard and approved by the Halal Certification Panel of the Islamic Religious Department of Selangor/ Reference No. JAKIM.700-2/3/1 036-04/2016	(i) Any changes to the name or address of the company, factory or premise, brands, ingredients, suppliers or anything related thereto shall be informed in writing to JAKIM and/ or MAIN/JAIN for further action.	Noted
					(ii) The certificate holder shall exhibit the Logo on the product, premise or services as stated in the Certificate.	Complied
					(iii) The Certificate shall be exhibited only at the address as stated in the Certificate.	Complied
					(iv) A renewal application shall be made at the earliest 6 months or no later than 3 months before the expiry of the Certificate.	Noted

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(p)	Ming Feng	MOH	25 August 2023/ 8 August 2026(1)	MeSTI Certificate Certificate certifying that Ming Feng of No. 2-First Floor, 2B-G, 2B-M & 2B-2, Jalan Semenyih, 43000 Kajang, Selangor, has fulfilled the terms and conditions for certification of MeSTI i.e. has appropriate standards of procedure in place for the implementation of food safety assurance program/ Certification No. ME0620069-1/1	(i) Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. The Certification will be automatically void should the factory or premise cease operation.	Noted
					(ii) The use of the logo is only allowed for food product that is being produced in the premise as stated in the Certificate.	Complied
(q)	Ming Feng	DVS, Ministry of Agriculture and Food Security Malaysia	10 November 2025/ 31 December 2027	VHM Certificate Certificate certifying that Ming Feng of No. 2-First Floor, 2B-G, 2B-2, 2B-M, Jalan Semenyih, 43000 Kajang, Selangor, has fulfilled the requirements of DVS and the implementation of the Quality Assurance Program and HACCP System/ Serial No. 261/25	(i) The use of the logo is only permitted for products and premises that have been approved by DVS.	Complied
					(ii) Any changes in management, plant, additional product and processing operations have to be promptly notified to DVS but in any case no later than 30 days after such changes.	Noted
					(iii) The management of approved establishments are permitted to use the logo only for the period as stated on the Certificate.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(iv) The Certificate can be withdrawn on the following conditions:	
					(1) when non-compliance is observed during surveillance and review audits;	Noted
					(2) when there is a change in the location of the premises used for normal operations as compared to the time of award of the logo by DVS;	Noted
					(3) changes in management of the company not being notified to DVS;	Noted
					(4) changes in the operational system of operation as compared to the one approved at the time of award by DVS; or	Noted
(r)	Ming Feng	MOH	9 August 2023/ 8 August 2026(1)	HACCP Certificate Certificate certifying that Ming Feng of No. 2-First Floor, 2B-G, 2B-M & 2B-2, Jalan Semenyih, 43000 Kajang, Selangor, has fulfilled the terms and conditions for implementation of HACCP system for its RCEBN/	(i) Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. Certification will be automatically void should the factory or premise cease operation.	Noted

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
				Certification No. HA0519006-2/1	(ii) The use of the logo is only allowed for food product that is being produced in the premise as stated in the Certificate.	Complied
(s)	Tan Teh Jie (on behalf of Ming Feng)	MOH	21 June 2024/ 21 June 2027(1)	Certificate of Registration of Food Premise Certificate certifying that Ming Feng of No. 2-First Floor, 2B-G, 2B-M, 2B-2, Jalan Semenyih, 43000 Kajang, Selangor, is permitted to operate food premises involved in food manufacturing/ Registration No.: FSSM061500799-01	The licence shall be displayed at all times in the premises.	Complied
(t)	Ming Feng	GACC	1 August 2018/ 31 July 2028	Registration of Overseas Manufacturer of EBN Registration No.: CMYS03011808010022/ A1A009	(i) The food safety management system of the country (region) where it is located has passed the equivalent assessment and examination by GACC.	Complied
					(ii) It has been established with the approval of the competent authority of the country (region) where it is located and under the effective regulation thereof.	Complied
					(iii) It has established an effective food safety, hygiene management and protection system, lawfully manufactures and exports the food in the country (region) where it is located, and ensures that the food	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					exported to China complies with the relevant laws and regulations and food safety standards of China.	
					(iv) It complies with the relevant inspection and quarantine requirements agreed upon by GACC and the competent authority of the country (region) where it is located.	Complied
(u)	Kang Li	Seremban, Negeri Sembilan City Municipal Council	Not shown/ 12 December 2026	Business Premise Licence Trade, Business and Industrial Licence for pharmacy at No. 12, Jalan Suria 1, Taman Laman Suria, 71700 Mantin, Negeri Sembilan/ Account No. 02020164122021/ File No. MBS(UP)39498	The licence shall at all times be displayed at the licensed premise at a visible location.	Complied
(v)	Ye Lin	Shanghai Administra -tive for Market Regulation	20 November 2024/ 21 August 2046	Business licence Business licence that signifies that a company is legally established and authorised to conduct business in China Unified Social Credit Code No.: 91310115MA1K3FWH7W	Nil	Noted

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(w)	Ye Lin	Shanghai Administra-tive for Market Regulation	11 October 2025/ 21 August 2046	Registration Certificate for the sale of pre-packaged food only Registration No.: YB13101150094839	Nil	Noted
(x)	Ye Lin	Shanghai Pudong Customs ("**Pudong Customs**")	Not shown/ 31 December 2099	Filling/Registration of Consignee and Consignor of Imported and Exported Goods Registration No.: 3122239008	Nil	Noted
(y)	Ye Lin	Pudong Customs	Not shown/ 31 December 2099	Filling/ Registration of Food Importer	Nil	Noted

Notes:

(1) Subject to renewal.

(2) The address follows from the initial applications which were based on the address stated in the business premise license for the processing of bird's nest. As GMP, VHM, HACCP, Halal, MeSTI and food premise registration certifications are principally in respect of food quality and safety assurance standards, the address of these certifications follow the address specifically where processing of RCEBN is stated in the business premise license.

We will renew all our approvals, licences and permits as disclosed above prior to their expiry in accordance with the conditions imposed. As at LPD, our Group has obtained all the requisite approvals, licences and permits for our business operations and in the past, our Group has not faced any issues in relation to the renewal of our approvals, licences and permits.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.8 TRADEMARKS

Save as disclosed below, our Group does not own any other trademarks:

Trademark	Registration No.	Registered owner	Description	Place of registration	Validity Period	Status
	2015054285	Ming Feng	Class 29: EBN	Malaysia	20 March 2015 to 20 March 2035	Registered
	2014051329	Dynamic Transforms	Class 5: Pharmaceutical preparations and substances; herbal preparations and medicines for human purposes; vitamin preparations and nutritional food supplements; dietary supplements; nutritional supplements; antioxidants; flower pollen; flower pollen extracts; bird's nest, being a food for infants and invalids	Malaysia	29 January 2014 to 29 January 2034	Registered

6. INFORMATION ON OUR GROUP *(Cont'd)*

Trademark	Registration No.	Registered owner	Description	Place of registration	Validity Period	Status
	2017068527(1)	Dynamic Transforms	Class 29: EBN	Malaysia	26 September 2017 to 26 September 2027	Registered
	2018015969	Enest	Class 29: EBN products in raw, dried or/and packed/bottled forms	Malaysia	4 December 2018 to 4 December 2028	Registered
	TM2021017162	Kang Li	Class 35: Retail services provided by pharmacies Class 44: Pharmacy advice; Pharmacy dispensary services; Preparation of prescriptions in pharmacies	Malaysia	24 June 2021 to 24 June 2031	Registered
	TM2024034378	Enest Marketing	Class 29: EBN	Malaysia	-	Under provisional refusal(2)

6. INFORMATION ON OUR GROUP *(Cont'd)*

Trademark	Registration No.	Registered owner	Description	Place of registration	Validity Period	Status
	TM2024034376	Ming Feng	Class 5: Nutritional supplement drinks; Nutritional supplement drinks, not for medical purposes Class 32: Fruit-flavoured drinks	Malaysia	-	Under provisional refusal(3)
 (5)	61062190	Ye Lin	Class 30: Instant food	China	7 May 2023 to 6 May 2033	Registered
火果王子 (5)	66407971	Ye Lin	Class 35: Advertising sales	China	28 January 2023 to 27 January 2033	Registered
	66415472		Class 43: Hotels and restaurant			
Bossku	66402782	Ye Lin	Class 29: Food	China	21 June 2023 to 20 June 2033	Registered
	66410984		Class 30: Instant food			
	66401612		Class 43: Hotels and restaurant(4)			

6. INFORMATION ON OUR GROUP *(Cont'd)*

Trademark	Registration No.	Registered owner	Description	Place of registration	Validity Period	Status
叶林燕	48310244	Ye Lin	Class 29: Food	China	7 March 2021 to 6 March 2031	Registered
	48312482		Class 30: Instant food			
	48304275		Class 35: Advertising sales			
榴王后 (5)	71917909	Ye Lin	Class 32: Beers & drinks	China	7 December 2023 to 6 December 2033	Registered
	66855875		Class 29: Foods		14 March 2023 to 13 March 2033	
	66859261		Class 31: Agricultural & fresh products		28 April 2023 to 27 April 2033	
	66870164		Class 30: Instant food		7 May 2023 to 6 May 2033	
	66872340		Class 35: Advertising sales			
	66855877		Class 43: Hotels and restaurant		7 March 2023 to 6 March 2033	

6. INFORMATION ON OUR GROUP *(Cont'd)*

Notes:

(1) This trademark, although registered under Dynamic Transforms was applied by Dynamic Transforms on behalf of its then customer ("**Party**"). Since the completion of the acquisition of Dynamic Transforms by Ming Feng in 2018, the Party is no longer customer of our Group and our Group has not used the trademark since. As at LPD, our Group is not dependent on this trademark as we do not conduct any business operations nor commercially utilise the said trademark in Malaysia.

(2) MyIPO has issued a provisional refusal on 29 April 2025 as the trademark is similar to a prior registered trademark. An appeal was submitted to MyIPO on 25 June 2025. The appeal process will take approximately 12 to 24 months from the date of appeal. For information, the prior registered trademark is owned by our Group. Notwithstanding the above, our Group's business operations is not materially dependent on the trademark. In addition, while our Group may not be able to enjoy the protection as a proprietor of a registered trademark under the Trademarks Act 2019 in the event of unsuccessful appeal, the non-registration of the trademark does not prohibit our Group from continuing use. As such, our Group will not be materially impacted if MyIPO maintained its refusal.

(3) MyIPO has issued a provisional refusal on 30 April 2025 as the trademark is similar to a prior registered trademark. An appeal was submitted to MyIPO on 24 July 2025. The appeal process will take approximately 12 to 24 months from the date of appeal. For information, the prior registered trademark is not used in the same industry as our Group. Notwithstanding the above, our Group's business operations is not materially dependent on the trademark. In addition, while our Group may not be able to enjoy the protection as a proprietor of a registered trademark under the Trademarks Act 2019 in the event of unsuccessful appeal, the non-registration of the trademark does not prohibit our Group from continuing use. As such, our Group will not be materially impacted if MyIPO maintained its refusal.

(4) These trademarks were registered in different industries in China for future collaboration to sell processed bird's nest drinks and products in restaurants or cafes.

(5) These trademarks were registered as we previously considered to export durian products to China. Since the registration of the trademarks, we have decided not to proceed with the proposal.

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6. INFORMATION ON OUR GROUP *(Cont'd)*

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

The summary of material properties owned by our Group as at LPD are set out below:

No.	Registered owner/ Postal address/ Title details	Category of land use/ Tenure	Description of property/ Existing use	Express Conditions/ Restriction-in-interest/ Encumbrances	Land area/ Built-up area	Date of purchase/ Date of CCC	Audited NBV as at 31 December 2025
							RM'000
(i)	**Ming Feng** 15, 15A, 15B & 15C Jalan PS 9/2 Prima Selayang 68100 Batu Caves Selangor Held under PM 2675, Lot 2365, Mukim of Bandar Selayang, District of Gombak, Selangor	Building/ Leasehold land expiring on 9 August 2098	4-storey shophouse Currently used as the processing facility of our Group	**Express Condition:** Commercial building **Restriction-in-interest:** This land cannot be transferred, leased or mortgaged except with the consent of the State Authority **Encumbrances:** Charged to RHB Islamic Bank Berhad	Land Area: Approximately 1,916 sq ft Built-up Area: Approximately 7,664 sq ft	Date of purchase: 2 February 2018 Date of CCC: 1 February 2008 & 17 October 2024	1,899
(ii)	**Enest Properties** A-16-05, MKH Boulevard Jalan Bukit 43000 Kajang Selangor Erected on part of the land held under Master Title PN	Building/ Leasehold land expiring on 5 October 2111	Serviced apartment Currently used as workers' accommodation	**Express Condition:** Commercial building **Restriction-in-interest:** This land cannot be transferred, leased or mortgaged except with the consent of the State Authority	Land Area: Approximately 147,562 sq ft Built-up Area: Approximately 840 sq ft	Date of purchase: 2 July 2021 Date of CCC: 8 August 2016	407

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Category of land use/ Tenure	Description of property/ Existing use	Express Conditions/ Restriction-in-interest/ Encumbrances	Land area/ Built-up area	Date of purchase/ Date of CCC	Audited NBV as at 31 December 2025 RM'000
	113167, Lot 10528, Section 7, within Town of Kajang, District of Ulu Langat, Selangor			**Encumbrances:** Assigned to Public Islamic Bank Berhad			
(iii)	**Enest Properties** F-37-3A, Jalan OS 1/1 One Selayang 68100 Batu Caves Selangor Held under Strata Title PN 98132/M1/4/63, Lot 87830, Town of Selayang, District of Gombak, Selangor	Residential/ Leasehold land expiring on 29 July 2111	Apartment Currently used as workers' accommodation	**Express Condition:** Residential and commercial building **Restriction-in-interest:** This land cannot be transferred, leased or mortgaged except with the consent of the State Authority **Encumbrances:** None	Land Area: Not applicable Built-up Area: Approximately 915 sq ft	Date of purchase: 17 February 2023 Date of CCC: 23 February 2009	172
(iv)	**Enest Properties** 45-08, Menara TR-Tropicana The Residences 121, Jalan Ampang 50450 Kuala Lumpur Held under Strata Title Geran 51952/M1/46/275, Lot 194 Section 58, within the Town	Building/ Freehold	Apartment Currently let out to be managed by a property management company	**Express Condition:** Serviced apartment **Restriction-in-interest:** None **Encumbrances:** Charged to Public Bank Berhad	Land Area: Not applicable Built-up Area: Approximately 1,561 sq ft	Date of purchase: 28 April 2023 Date of CCC: 5 November 2018	4,300

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Category of land use/ Tenure	Description of property/ Existing use	Express Conditions/ Restriction-in-interest/ Encumbrances	Land area/ Built-up area	Date of purchase/ Date of CCC	Audited NBV as at 31 December 2025 RM'000
	and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur						
(v)	**Enest Properties** T2A-17-08, Menara 3 No. 296, Jalan Ampang 50450 Kuala Lumpur Erected on part of the land held under Master Title Geran 80739, Lot 20022, Section 88, within Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Building/ Freehold	Commercial office suite Currently vacant	**Express Condition:** Commercial building for office use only **Restriction-in-interest:** None **Encumbrances:** Assigned to Public Islamic Bank Berhad	Land Area: 99,480 sq ft Built-up Area: Approximately 817 sq ft	Date of purchase: 10 March 2021 Date of CCC: 28 February 2020	800

As at LPD, the properties owned by our Group are not in breach of any land use conditions and/or not in non-compliance with current statutory requirements, land rules or building regulations/ by-laws, which will have a material adverse impact on our operations.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.9.2 Properties rented by our Group

The summary of material properties rented by our Group as at LPD are set out below:

No.	Address	Landlord/ Tenant	Description/ Existing use	Built-up area	Date of CCC	Period of tenancy/ Rental per annum
(i)	PT39461, Tingkat 1 Seksyen 7 Bandar Kajang 43000 Kajang Selangor	Kasturi Mahir Sdn Bhd/ Ming Feng	Shophouse Currently used as the main office of our Group	Approximately 4,480 sq ft	13 June 2003	From 1 June 2024 to 31 May 2026 with the option to renew for another 2 years[(a)] RM48,000
(ii)	No. 2B-G & 2B-M Jalan Semenyih 43000 Kajang Selangor	Caristra Holdings Sdn Bhd/ Ming Feng	Shophouse Currently used as the processing facility of our Group	Approximately 3,224 sq ft	13 November 2018	1 July 2024 to 30 June 2027 with the option to renew for another 1 year RM132,000
(iii)	No. 2, First Floor Jalan Semenyih 43000 Kajang Selangor	Caristra Holdings Sdn Bhd/ Ming Feng	Shophouse Currently used as the processing facility of our Group	Approximately 4,160 sq ft	13 November 2018	1 April 2026 to 31 March 2028 with the option to renew for another 2 years RM116,640

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Address	Landlord/ Tenant	Description/ Existing use	Built-up area	Date of CCC	Period of tenancy/ Rental per annum
(iv)	No. 2B-2 Jalan Semenyih 43000 Kajang Selangor	Persatuan Dewan Perniagaan dan Perusahaan Melayu Daerah Hulu Langat/ Ming Feng	Shophouse Currently used as the processing facility of our Group	Approximately 2,080 sq ft	13 November 2018	16 April 2026 to 15 April 2028 with the option to renew for another 2 years RM24,000
(v)	13B & 13C Jalan PS 9/2 Prima Selayang 68100 Batu Caves Selangor	Khor Hue Leng & Chew Swee Thong/ Dynamic Transforms	Shophouse 13B is currently vacant 13C is currently used as the processing facility of our Group	Approximately 1,916 sq ft each	1 February 2008	1 January 2025 to 31 December 2027 RM40,800
(vi)	No. 12-G, Laman Suria 1 Jalan Laman Suria 1 Taman Laman Suria 71700 Mantin Negeri Sembilan	Yap Kok On & Yap Kuan Fatt/ Kang Li	Shophouse Currently used as our health and personal care retail store	Approximately 1,289 sq ft	8 August 2014	1 June 2024 to 31 May 2027 with the option to renew for another 1 year RM24,000
(vii)	C-23-03, Dataran Emerald Jalan PS 11 Prima Selayang 68100 Batu Caves Selangor	Thew Sze Hwee/ Dynamic Transforms	Serviced apartment Currently used as workers' accommodation	Approximately 1,100 sq ft	2 June 2015	1 July 2025 to 30 June 2026 RM19,200

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Address	Landlord/ Tenant	Description/ Existing use	Built-up area	Date of CCC	Period of tenancy/ Rental per annum
(viii)	F-37-2B, Jalan OS 1/1 One Selayang 68000 Batu Caves Selangor	Leong Lin Kam/ Dynamic Transforms	Apartment Currently used as workers' accommodation	Approximately 987 sq ft	23 February 2009	10 January 2026 to 9 January 2028 with the option to renew for another 1 year RM12,000
(ix)	A-20-06, MKH Boulevard Jalan Changkat 43000 Kajang Selangor	Tan Pooi Fan/ Ming Feng	Condominium Currently used as workers' accommodation	Approximately 850 sq ft	8 August 2016	1 April 2025 to 31 March 2027 with the option to renew for another 1 year RM18,600
(x)	J-07, Pangsapuri Ria Jalan Bukit Mewah 33 Taman Bukit Mewah 43000 Kajang Selangor	Lee Kok Meng/ Ming Feng	Apartment Currently used as workers' accommodation	Approximately 960 sq ft	3 September 2001	1 May 2026 to 30 April 2027 RM10,800
(xi)	M66-1F, Menara H No. 128 H, Jalan S2 B5 Seremban 2 70300 Seremban Negeri Sembilan	GDB Land (M) Sdn Bhd/ Ming Feng	Apartment Currently used as workers' accommodation	Approximately 1,334 sq ft	17 November 2000	15 July 2025 to 14 July 2028 RM13,200

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Address	Landlord/ Tenant	Description/ Existing use	Built-up area	Date of CCC	Period of tenancy/ Rental per annum
(xii)	M60-1F, M60-2A, M60-2B, M63-1F, M65-1F, Menara H No. 128 H, Jalan S2 B5 Seremban 2 70300 Seremban Negeri Sembilan	GDB Land (M) Sdn Bhd/ Dynamic Transforms	5 units of apartments Currently used as workers' accommodation	M60-1F: 1,302 sq ft M60-2A: 839 sq ft M60-2B: 678 sq ft M63-1F: 1,367 sq ft M65-1F: 1,367 sq ft	17 November 2000	15 July 2025 to 14 July 2028 M60-2A & M60-2B: RM6,600 each M60-1F, M63-1F & M65-1F: RM13,200 each
(xiii)	13, Jalan PS 9/2 Prima Selayang 68100 Batu Caves Selangor	Khor Hue Leng & Chew Swee Thong/ Dynamic Bird Nest	Shophouse Currently vacant	Approximately 1,916 sq ft	1 February 2008	1 May 2025 to 30 April 2028 RM50,400
(xiv)	13A, Jalan PS 9/2 Prima Selayang 68100 Batu Caves Selangor	Khor Hue Leng & Chew Swee Thong/ Dynamic Bird Nest	Shophouse Currently vacant	Approximately 1,916 sq ft	1 February 2008	1 October 2025 to 30 September 2027 RM21,600

Note:

(a) The tenancy has been renewed between Kasturi Mahir Sdn Bhd as landlord and Enest as tenant, from 1 June 2026 to 31 May 2028 with the option to renew for a further 2 years.

As at LPD, the properties rented by our Group are not in breach of any land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have a material adverse impact on our operations.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.9.3 Acquisition of properties

Save for the properties as disclosed in Section 6.9.1(iii) and Section 6.9.1(iv) and as disclosed below, we have not entered into any agreements to acquire properties during the FYEs 2022 to 2025 and up to LPD. The purchase values of the properties as disclosed in Section 6.9.1(iii) and Section 6.9.1(iv) were arrived at on a "willing buyer willing seller" basis after taking into consideration evidences of similar properties transacted in the general neighbourhood.

In addition, during the FYEs 2022 to 2025 we have also entered into agreements to acquire the following properties which have yet to be completed:

(i) Sale and purchase agreement dated 31 October 2023 entered into between Enest Properties (as purchaser) and NCT Land Sdn Bhd (as developer) for the acquisition of a piece of leasehold land located at NCT Smart Industrial Park, measuring 1,208 square metres in land area, held under HS (D) 50525, PT 54404 in the Mukim of Tanjong Duabelas, District of Kuala Langat, Selangor, together with a 2 storey semi-detached factory to be erected thereon known as Unit B16, for a cash consideration of RM3,166,500.00 (nett of rebates). The transaction is currently ongoing and is estimated to be completed within 36 months from the date of the agreement; and

(ii) Sale and purchase agreement dated 31 October 2023 entered into between Enest Properties (as purchaser) and NCT Land Sdn Bhd (as developer) for the acquisition of a piece of leasehold land located at NCT Smart Industrial Park, measuring 1,208 square metres in land area, held under HS (D) 50526, PT 54405 in the Mukim of Tanjong Duabelas, District of Kuala Langat, Selangor, together with a 2 storey semi-detached factory to be erected thereon known as Unit B17, for a cash consideration of RM3,166,500.00 (nett of rebates). The transaction is currently ongoing and is estimated to be completed within 36 months from the date of the agreement.

The abovesaid acquisitions are funded by bank borrowings. One unit factory has been proposed to be used as factory for our expansion upstream into exporting RUBN to China, whilst the other one unit of factory is proposed to be rented out when ready.

6.9.4 Material machineries and equipment

Our Group's material machineries and equipment are as follows:

No.	Material machineries and equipment	Description	Units	Total Purchase Price	Audited NBV as at 31 December 2025
				RM'000	RM'000
1.	Dehumidifier	Dehumidifier used in the drying process	10	62	4
2.	Bird's nest picking devices	Assist in picking bird's nest	205	503	425
3.	Dumbwaiter	Use to hoist goods between floors	1	61	23
4.	Steamer machine	Use for heat treatment	3	6	2

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Material machineries and equipment	Description	Units	Total Purchase Price	Audited NBV as at 31 December 2025
				RM'000	RM'000
5.	Backend system	System to weigh RCEBN and capture relevant data to be uploaded onto the QR code as well as printing of label	18	131	20
6.	Steriliser	Use to sterilise outer packaging	2	7	-
	Total		**239**	**770**	**474**

The average economic useful life for our machineries and equipment ranges from 5 to 10 years. We conduct periodic inspections and maintenance of our machineries and equipment and undertake certain repair works when necessary. Our maintenance procedures include calibration and cleaning. The machineries and equipment that we own are commonly used in the EBN industry and are generally available locally or imported from the overseas market.

6.9.5 Material capital expenditures and divestitures

(a) Material capital expenditures

Save for the expenditures disclosed below, there were no other capital expenditures (including interests in other corporations) made by us for the FYE 2022 to FYE 2025 and up to LPD:

	At cost				
Capital expenditures	FYE 2022 RM'000	FYE 2023 RM'000	FYE2024 RM'000	FYE 2025 RM'000	1 January 2026 and up to LPD RM'000
Leasehold land and building	-	935[1]	-	-	-
Furniture and fittings	84	8	-	-	-
Office equipment	31	6	1	4	3
Tools and equipment	9	[2]	-	-	-
Air conditioners	4	7	-	-	-
Motor vehicles	410[3]	-	-	-	-
Computers	72	38	45	3	10
Electrical and fittings	10	5	-	-	-
Plant and machineries	5	3	504[4]	-	60
Signboards	24	2	13	-	-
Renovations	486[5]	213[6]	3	21	-
Capital work-in-progress	**-**	**-**	5,489[7]	2,533[7]	211[7]
	1,135	**1,216**	**6,055**	**2,561**	**284**

Notes:

(1) Relates to the purchase by a former subsidiary, of a parcel of leasehold agriculture land together with a swiftlet house erected thereon.

(2) Less than RM500.

(3) Relates to purchase of a passenger car. The car was provided as a benefit-in-kind and is currently used by our Chief Financial Officer.

(4) Relates mainly to the purchase of 205 units of bird's nest picking devices (comprising a power box and vacuum tweezer) to ease and increase the speed of our cleaning processes.

(5) Relates to renovation works carried out in our main office amounting to RM0.42 million and for our health and personal care retail store at Taman Equine amounting to RM0.07 million.

(6) Relates mainly to renovation works carried out in a rented property at 13B, Jalan PS 9/2, Prima Selayang, Batu Caves in preparation for the expansion of our processing facility located in Batu Caves.

(7) Relates to the purchase of 2 parcels of leasehold land located at NCT Smart Industrial Park, Kuala Langat, Selangor together with the construction of 2 units of 2 storey semi-detached factories erected thereon as detailed in Sections 6.9.3(i) and 6.9.3(ii).

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures are mainly driven by our business growth as well as for replacement purposes.

(b) Material capital divestitures

Save as disclosed below, there were no other capital divestitures (including interests in other corporations) made by us for the FYE 2022 to FYE 2025, and up to LPD.

	At cost				
Capital divestitures	**FYE 2022 RM'000**	**FYE 2023 RM'000**	**FYE2024 RM'000**	**FYE 2025 RM'000**	**1 January 2026 and up to LPD RM'000**
Leasehold land and building[1]	-	-	935	**-**	-
Office equipment	-	-	9	**-**	-

Note:

(1) Relates to the disposal of 100% equity interest in a former subsidiary, Martell Swiftlets Sdn Bhd (formerly known as Enest Swiftlets Sdn Bhd), for a cash consideration of RM900,000.00. Please refer to Section 6.5(d) for further details.

Save as disclosed above, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6.9.6 Material plans to construct, expand or improve our facilities

Save for the proposed future plans as disclosed in Section 7.17, our Group does not have any other immediate plans to construct, expand and improve our facilities as at LPD.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

The following are the major laws and regulations governing the conduct of our Group's business which may materially affect our business operations:

(a) Local Government Act 1976 ("LGA 1976")

LGA 1976 provides for uniformity of law and policy to make a law with respect to local government.

Pursuant to Section 107(2) of LGA 1976, every licence or permit granted by the local authority of any trade, occupation or premises shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefore.

Pursuant to Section 107(6) of LGA 1976, a person who fails to exhibit or produce his licence in some prominent place on the licenced premises shall be liable to a fine not exceeding RM500.00 or to imprisonment for a term not exceeding 6 months or to both such fine and imprisonment.

As at LPD, our Group holds and maintains valid business licences issued by the respective local authorities. There is no past non-compliance incident which may materially affect our Group's business or operations. The details of the business licenses are as provided under Section 6.7.

(b) Street, Drainage and Building Act 1974 ("SDBA 1974")

The SDBA 1974 governs matters relating to streets, drainage and buildings in Peninsular Malaysia. It provides a requirement to have a CCC to ensure that the building is safe and fit for occupation. Section 70(27)(f) of SDBA 1974 provides that any person who occupies or permits to occupy any building or any part thereof without CCC shall be liable on conviction to a fine not exceeding RM250,000.00 or to imprisonment for a term not exceeding 10 years or to both.

As at LPD, all properties owned and rented by our Group, as outlined in Section 6.9, have been issued with valid CCC. There is no past non-compliance incident which may materially affect our Group's business or operations.

(c) Immigration Act 1959/63 ("IA 1959/63")

IA 1959/63 governs matters related to immigration, entry, and exit of persons into and out of Malaysia.

Pursuant to Section 55B of IA 1959/63, any person who employs one or more persons other than a citizen or a holder of an entry permit who is not in possession of a valid pass shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000.00 but not more than RM50,000.00 or to imprisonment for a term not exceeding twelve months or to both for each such employee.

As at LPD, our Group has 138 foreign employees, all of whom have valid work permits.

There is no past non-compliance incident which may materially affect our Group's business or operations.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(d) Food Act 1983

Food Act 1983 is the primary legislation governing food safety and quality in Malaysia. It applies to all businesses involved in the preparation, sale, storage, importation, exportation, and distribution of food. Section 34 of the Food Act 1983 empowers the Minister to make regulations to among others:

(i) secure the cleanliness and freedom from contamination or adulteration of any food in the course of its preparation, preservation, packaging, storage, conveyance, distribution or sale and the cleanliness of places, receptacles, appliances, and vehicles used in such preparation, preservation, packaging, storage, conveyance, distribution or sale and to secure the proper conduct of place in which the preparation or sale of food is carried out and for these purposes to require any person to submit to a medical examination by a person authorised in this respect; and

(ii) regulate food premises and persons engaged in or occupied with any of the activities in relation to food premises or employed in such premises.

Any person contravening the Food Act 1983 commits an offence and, shall on conviction, depending on the nature of the offence, be liable to imprisonment for a maximum term ranging from 1 year to 10 years, or to a maximum fine varying from RM20,000 to RM100,000 or to both.

Please refer to paragraph (e) and (f) below in respect of regulations made under Food Act 1983 which is applicable to our Group.

There is no past non-compliance incident which may materially affect our Group's business or operations.

(e) Food Hygiene Regulations 2009

Food Hygiene Regulations 2009 is a subsidiary regulation under the Food Act 1983, focusing specifically on the hygiene practices that must be followed by the proprietor, owner and occupier of food premises to ensure food safety.

Pursuant to Regulation 3 of the Food Hygiene Regulations 2009, no person shall use any food premises specified in the First Schedule for the purposes of, or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the relabelling, reprocessing or reconditioning of any food except the premises is registered under these Regulations.

As at LPD, our Group holds and maintains valid food premises licenses for all our processing establishments. The details of which are as stated in Section 6.7.

Among other provisions under the said Regulations, Regulation 9 requires our Company to make available a food safety assurance programme in the food premise. Any proprietor, owner or occupier of food premises who fails to comply commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000.00 or to imprisonment for a term not exceeding 2 years under Regulations 9(2) of the Food Hygiene Regulations 2009.

In this respect, Ming Feng and Dynamic Transforms have obtained MeSTI, HACCP, and GMP certificates, certifying that their processing establishments have appropriate standards of procedure in place for the implementation of food safety assurance program for their products. The details of which are as stated in Section 6.7.

6. INFORMATION ON OUR GROUP *(Cont'd)*

There is no past non-compliance incident which may materially affect our Group's business or operations.

(f) Food Regulations 1985

Food Regulations 1985 is a subsidiary regulation under the Food Act 1983, focusing specifically on the standards and particular labelling requirements for food.

Ming Feng and Dynamic Transforms are required to comply with Regulation 178A of the Food Regulations 1985 in its processing of RCEBN, as follows:

(i) EBN shall be bird's nest produced from the glutinous material in saliva secreted in the swiftlet's two sublingual salivary glands from the Aerodramus species which are Aerodramus fuciphogus, Aerodramus maximus or Collocalia species which is fit for human consumption;

(ii) EBN may undergo cleaning processes including sorting, soaking, picking of feathers and impurities, moulding and drying; and

(iii) RUBN which has undergone cleaning processes shall contain not more than 30 milligram per kilogram (mg/kg) of nitrite which is naturally present.

Any person who commits an offence against these Regulations for which no penalty is provided by the Food Act 1983 shall, on conviction, be liable to a fine not exceeding RM10,000.00 or imprisonment for a term not exceeding 2 years under Regulations 397(2) of the Food Regulations 1985.

As at LPD, Ming Feng and Dynamic Transforms are in compliance with the above regulations. There is no past non-compliance incident which may materially affect our Group's business or operations.

(g) Trade Descriptions (Certification and Marking of Halal) Order 2011 ("Halal Order")

The Halal Order is a regulation made under the Trade Descriptions Act 2011, which specifically governs the use of the term "Halal" in relation to goods and services.

The Halal Order provides that all food and goods shall not be described as halal or be described in other expression to indicate that the food or goods can be consumed or used by a Muslim unless it is:

(a) certified as halal by the competent authority; and
(b) marked with the logo as specified in the First Schedule of the Halal Order.

It is prescribed by Order 8 of the Halal Order that any person who-

(i) certifies that any foods, goods, or services in relation to the foods or goods is halal; or
(ii) supplies or offers to supply any food, goods or services in relation to the food or goods,

in contravention of the Halal Order, commits an offence and shall, on conviction, be liable to a fine not exceeding RM200,000.00, and for a second or subsequent offence, to a fine not exceeding RM500,000.00.

6. INFORMATION ON OUR GROUP *(Cont'd)*

As at LPD, Ming Feng and Dynamic Transforms hold valid Halal licences issued by JAKIM. The details of the Halal licenses are as provided under Section 6.7. There is no past non-compliance incident which may materially affect our Group's business or operations.

(h) Animals Act 1953

Animals Act 1953 governs laws in respect of animals and animal products including the control of the movement of animals and animal products into, within and from Malaysia.

Ming Feng and Dynamic Transforms are required to comply with Section 16 of the Animals Act 1953 which provides that every animal or bird, or carcass, semen, fodder, litter, dung, or any product of animals or birds or any article or substance which is about to be exported may be required to undergo an examination by a veterinary authority at such place as the veterinary authority may appoint.

Any person guilty of an offence against the Animals Act 1953 shall, where no other penalty is specified, be liable to a fine of RM2,000.00. under Section 72 of the Animals Act 1953.

As at LPD, Ming Feng and Dynamic Transforms are in compliance with the abovementioned provision of the Animals Act 1953. There is no past non-compliance incident which may materially affect our Group's business or operations.

(i) Malaysian Quarantine and Inspection Services Act 2011

Malaysian Quarantine and Inspection Services Act 2011 regulates the provision of integrated services relating to quarantine, inspection and enforcement at the entry points, quarantine stations and quarantine premises and certification for import and export of plants, animals, carcasses, fish, agricultural produce, soils and microorganisms and includes inspection of and enforcement relating to food and for matters connected to it.

Section 11(2) of the Malaysian Quarantine and Inspection Services Act 2011 states that no person shall export any plant, animal, carcass, fish, agricultural produce, soil or microorganism without a permit or licence issued under the Malaysian Quarantine and Inspection Services Act 2011.

Any person who contravenes this section commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000.00 or to imprisonment for a term not exceeding 6 years or to both and, for a second or subsequent offence to a fine not exceeding RM150,000.00 or to imprisonment for a term not exceeding 7 years or to both.

As at LPD, Ming Feng and Dynamic Transforms are in compliance with the abovementioned provision of the Malaysian Quarantine and Inspection Services Act 2011. There is no past non-compliance incident which may materially affect our Group's business or operations.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(j) Weights and Measures Act 1972

Weights and Measures Act 1972 is enacted to ensure fair trade practices through regulation and standardisation of weights and measures used in trade.

Section 14 of the Weights and Measures Act 1972 provides that every weight and measure and instrument for weighing or measuring for use for trade shall be verified and stamped by an inspector with a stamp of verification and a certificate of verification shall be issued and by such inspector at the time of stamping every such weight or measure or instrument for weighing or measuring provided that where the small size of a weight renders it impracticable for the inspector to stamp such weight with his stamp of verification, he may, on being satisfied with the identity and denomination of such weight, dispense with such stamping and issue a certificate of verification.

Any person who uses or has in his possession for use for trade any weight, measure, or instrument for weighing or measuring not verified, stamped, certified or authenticated shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM40,000.00 or to imprisonment for a term not exceeding 3 years or both, and such weight, measure or instrument for weighing or measuring shall be liable to be forfeited.

Ming Feng and Dynamic Transforms use electronic balance for the purpose of weighing their RCEBN without obtaining verification and stamping from the inspector since commencement of their business. Only on 18 August 2025, Ming Feng and Dynamic Transforms obtained the stamps of verification for their electronic balance. As at LPD, our Group has not received any fines or notices of non-compliance from the relevant authorities under the relevant laws and there is no action taken against Ming Feng and Dynamic Transforms in respect of the abovementioned non-compliance. Our Group incurred approximately RM3,813.00 to obtain the certificates of verification for the purpose of rectification.

Our Board is of the view that the non-compliance has no material impact to our Group's business operations or financial performance in view that the rectification cost incurred was not material.

(k) Occupational Safety and Health Act 1994 ("OSHA 1994")

OSHA 1994 aims to ensure the safety, health and welfare of employees at place of work.

Pursuant to Section 16 of the OSHA 1994, it shall also be the duty of every employer to prepare a general policy with respect to the safety and health of his employees and the organisation and arrangements for the time being in force for carrying out that policy. A person who contravenes these provisions shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding 2 years or to both.

Pursuant to Section 30 of the OSHA 1994, every employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work. A person who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000.00 or to imprisonment for a term not exceeding 1 year or to both.

Our Group has established a safety and health committee and has in place safety and health policy to ensure the compliance with the above. There is no past non-compliance incident which may materially affect our Group's business or operations.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(l) Medical Device Act 2012

Medical Device Act 2012 is enacted to regulate medical devices, the industry and to provide matters connected thereto. It also established the Medical Device Authority ("**MDA**") to oversee its implementation.

Pursuant to the Medical Device Act 2012, no medical device shall be imported, exported or placed in the market unless the medical device is registered under the Medical Device Act 2012. Any person who contravenes the requirement commits an offence and shall, on conviction, be liable to a fine not exceeding RM200,000.00 or to imprisonment for a term not exceeding 3 years or to both.

Kang Li had placed on the market unregistered medical devices, more particularly the Bio Teke Multiphatogen Antigen Test Kit and Longsee Influenza Test Kit, as early as 15 September 2024. On 18 November 2024, an officer from MDA conducted an inspection at Kang Li's branch store and instructed Kang Li to provide the invoice and documents in relation to the test kits by 24 November 2024. Immediately upon inspection, Kang Li stopped selling the said test kits.

A follow-up visit was made by MDA on 25 November 2024 at our Kang Li's store to obtain further documents and the officer from MDA had verbally instructed Kang Li to destroy the test kits. On 18 December 2024, Kang Li engaged a registered medical waste disposal company to destroy all the test kits in accordance with the officer's instructions. The said test kits were destroyed on 8 January 2025.

On 16 January 2025, MDA issued a warning letter dated on even date to Kang Li to take the following immediate actions of (a) not to place on the market unregistered medical devices; and (b) ensure compliance with the requirements of the Medical Device Act 2012 and to submit a response within 14 days of the date of the letter, to which Kang Li has responded on the same day.

Via emails dated 21 February 2025 and 14 May 2025, MDA acknowledged receipt of Kang Li's submission of its response to the warning letter and informed that the investigation relating to Kang Li has completed. No penalty was imposed by MDA in relation thereto. As at LPD, no further action has been taken against Kang Li in respect of the abovementioned non-compliance.

The total cost of the test kits and its disposal was approximately RM670. As at LPD, the above non-compliance did not have any material impact to our Group's business operations or financial performance.

Our Board took note of the serious non-compliance and our Company has since established standard operating procedures for the purchase of medical devices to ensure compliance with regulatory requirements. Among the procedures established include verifying the device is registered with MDA; the purchase order to be issued should contain information such as MDA product registration number prior to purchase; upon receipt of the medical device, the store manager is to review the medical device's regulatory documentation and verify its compliance with MDA; and finally, details of the medical device purchased must be recorded in the medical device registry stating its product registration number.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(m) China's General Administration of Customs Order/Decree No. 248

According to the Administrative Provisions of the People's Republic of China on Registration of Overseas Manufacturers of Imported Food ("**GACC Decree No. 248**"), overseas manufacturers, processing and storage enterprises that export food to China shall be registered with GACC before exporting food to China (collectively referred to as the "**Registered Overseas Manufacturers**").

Ming Feng and Dynamic Transforms hold and maintain valid registrations with GACC. The details of the registrations are as stated in Section 6.7.

Further, pursuant to Article 23 and 24 of GACC Decree No. 248, if GACC finds that a Registered Overseas Manufacturer no longer meets the registration requirements, such as exceeding the recorded export capacity ("**export quota**"), it shall order the Registered Overseas Manufacturer to make rectification within a prescribed time limit, and suspend the Registered Overseas Manufacturer's export of food during the period of rectification. GACC shall examine the rectification of the Registered Overseas Manufacturer, and resume the Registered Overseas Manufacturer's export of food if the Registered Overseas Manufacturer passes the examination. If, after the rectification period, the Registered Overseas Manufacturer still fails to meet the registration requirements, GACC shall revoke its registration and make a public announcement.

Our Group's (via Ming Feng and Dynamic Transforms) consolidated export quota was 2,670 kg in 2019 and 2020. However, our Group's export volume of RCEBN to China in 2019 was 5,716 kg and 12,603 kg in 2020, exceeding our Group's consolidated export quota. Our Group via Ming Feng and Dynamic Transforms subsequently applied for and obtained the increase of the export quota to a total of 15,520 kg on 21 September 2021. As at end 2021, due to increase in sales, Dynamic Transforms exported 8,851 kg of RCEBN to China, exceeding its export quota again of 8,700 kg. Dynamic Transforms subsequently applied for and obtained the increase of its export quota on 25 August 2023.

As at LPD, Ming Feng and Dynamic Transforms are in compliance with the abovementioned registration requirements and there is no record of penalty found on Ming Feng and Dynamic Transforms for violation of export quota. For clarity, our Group's total export volume was within the export quota between 2022 and 2025. As at LPD, our Group's consolidated export quota to China stands at 18,426 kg, comprising of Dynamic Transforms' export quota to China of 8,915 kg (which approval for increase was obtained on 25 August 2023), and Ming Feng's export quota to China of 9,511 kg (which approval for increase was obtained on 5 August 2024). Notwithstanding, our Company has established standard operating procedures for the sales process. Among the procedures established include requiring the sales personnel to verify the quantities ordered by the customer against the approved export quota before processing the order and additionally, a record on export shipment to China is also maintained to facilitate monitoring on the compliance with approved export quota.

On 14 October 2025, GACC issued GACC Decree No. 280, which will take effect on 1 June 2026. Upon its effectiveness, GACC Decree No. 248 will be repealed. On 18 March 2026, GACC further issued Announcement on Matters Relating to the Implementation of China's Regulation on the Registration and Administration of Overseas Manufacturers of Imported Food ("**Announcement No. 27**"), providing implementation guidance and supplementary arrangements relating to GACC Decree No. 280.

GACC Decree No. 280 substantially retains the regulatory framework established under GACC Decree No. 248, while introducing certain optimisations regarding registration procedures, application materials and registration renewal mechanisms.

6. INFORMATION ON OUR GROUP *(Cont'd)*

According to GACC Decree No. 280 and Announcement No. 27, GACC has adjusted the catalogue of imported food categories requiring official recommendation registration. Bird's nest products remain within the catalogue requiring recommendation registration. Accordingly, Registered Overseas Manufacturers of imported bird's nest products must continue to apply for registration through recommendation by the competent authority of the exporting country and are not permitted to apply for registration independently.

In respect of registration renewal, GACC Decree No. 280 provides that the registration term will be automatically renewed for an additional 5 years upon expiry for Registered Overseas Manufacturers which are included in the "non-automatic renewal list". However, pursuant to Announcement No. 27, bird's nest products are expressly included in the "non-automatic renewal list". Therefore, according to Article 22 of Decree No. 280, Registered Overseas Manufacturers producing food products included in the non-automatic renewal list must apply for renewal registration with GACC through the prescribed registration channel within 3 to 12 months prior to the expiration of the registration term.

Accordingly, both Ming Feng and Dynamic Transforms will still be required to submit renewal applications within 3 to 12 months prior to the expiration of their current registration term on 31 July 2028.

(n) China's General Administration of Customs Order/Decree No. 249 ("**GACC Decree No. 249**")

Article 44 of GACC Decree No. 249 states that Registered Overseas Manufacturers shall (a) establish a complete and traceable control system for food safety and sanitation, and guarantee effective functioning of the same; (b) ensure that the export food is produced, processed and stored in consistent compliance with China laws and regulations; (c) ensure that the food is produced, processed and stored in compliance with China's requirements on safety and sanitation; and (d) fulfil any special requirements in the relevant laws and regulations of an importing country (region) as well as international treaties and agreements. All food importers in China including Ye Lin shall comply with GACC Decree No. 249 and ensure that their imported RCEBN are sourced from Registered Overseas Manufacturers in conformity with GACC Decree No. 249. Under GACC Decree Nos. 248 and 249, food processed from processing establishments which are not registered with GACC are not allowed to be exported to China.

On or around mid-2019, Ming Feng and Dynamic Transforms sourced RCEBN processed by processing establishments which were not registered with GACC and exported the same to China after additional processing for packaging by our Group. On 8 August 2022, upon seeking clarification with DVS, DVS clarified that Ming Feng and Dynamic Transforms were not in compliance with GACC's requirement for export to China if the processing establishments where Ming Feng and Dynamic Transforms sourced RCEBN are not registered with GACC. Upon receiving clarification, Ming Feng and Dynamic Transforms stopped purchasing RCEBN from unregistered processing establishments.

Article 35 of GACC Decree No. 249 provides that GACC may, based on the result of risk assessment, adopt such control measure as suspending or prohibiting the import of relevant food in the event there is a serious violation of China laws and regulations. As at LPD, no action has been taken against Ming Feng and Dynamic Transforms in respect of the abovementioned non-compliance.

6. INFORMATION ON OUR GROUP *(Cont'd)*

As at LPD, Ming Feng and Dynamic Transforms are in compliance with the abovementioned requirements relating to export of RCEBN to China and have not received any notices of suspension or prohibition on the export of relevant food to China. Notwithstanding, our Company has established standard operating procedures for the purchasing activities which strictly prohibits the purchase of RCEBN from processing establishments which are not registered and approved by GACC.

(o) Announcement on Inspection, Quarantine and Hygiene Requirements for Imported Malaysian Raw Bird's Nest and Edible Bird's Nest (GACC Announcement [2026] No. 37) ("Announcement No. 37")

On 10 April 2026, GACC issued Announcement No. 37, which permits the importation of Malaysian RUBN and RCEBN that satisfy the relevant requirements. The announcement took effect immediately upon issuance.

The relevant requirements include, among others, the following:

(a) Article 3 of Announcement No. 37 provides that the production and processing of RUBN and RCEBN exported to China shall comply with the applicable inspection, quarantine, food safety and hygiene laws and regulations of both China and Malaysia. RUBN and RCEBN exported to China must undergo effective heat treatment capable of eliminating avian influenza virus and Newcastle disease virus, specifically by heating at a core temperature of not less than 70°C for at least 3.6 seconds and the relevant preliminary processing enterprises for RUBN and processing enterprises for RCEBN exported to China shall possess production and operational equipment or facilities appropriate to the type and quantity of products manufactured and operated; maintain reasonable equipment layouts and production processes to avoid cross-contamination; and establish effective epidemic prevention and product safety and hygiene management systems, together with corresponding facilities and equipment;

(b) Article 5 of Announcement No. 37 provides that each batch of RUBN and RCEBN exported to China shall be accompanied by an original veterinary health certificate. In addition, RCEBN shall also be accompanied by a health certificate issued by MOH;

(c) Article 6 of Announcement No. 37 provides that RUBN and RCEBN exported to China shall be packaged using new materials that comply with China's domestic hygiene standards, and both the inner and outer packaging shall be sealed.

GACC will conduct inspection and quarantine procedures for RUBN and RCEBN exported to China. Non-compliant products will be handled in accordance with Chinese laws and regulations. Where serious issues or repeated non-compliance incidents occur, GACC may adopt measures including enhanced inspection and quarantine requirements or suspension of imports from the relevant manufacturing enterprises.

As at LPD, Ming Feng and Dynamic Transforms are in compliance with the abovementioned requirements relating to export of RCEBN to China.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(p) Employees' Minimum Standards of Housing, Accommodation and Amenities Act 1990; Workers' Minimum Standards of Housing and Amenities Regulations 1990

The Employees' Minimum Standards of Housing Accommodation and Amenities Act 1990 and Workers' Minimum Standards of Housing and Amenities Regulations 1990 establishes legal requirements and regulation guidelines for employers in Malaysia to provide safe, hygienic, and adequate housing and amenities to their workers and to protect workers rights and improve living conditions.

Section 24D of the Employees' Minimum Standards of Housing Accommodation and Amenities Act 1990 states that no accommodation shall be provided to an employee unless certified with a certificate for accommodation. Non-compliance by an employer of the aforementioned section shall, on conviction, be liable to a fine not exceeding RM50,000.00. Further, the employer shall within 30 days from the date an accommodation is occupied by his employee, inform the Director General of Labour of such occupation. Pursuant to Section 24(E)(2) of the Employees' Minimum Standards of Housing Accommodation and Amenities Act 1990, any employer who fails to notify the Director General of Labour of such occupation commits an offence and shall on conviction be liable to a fine not exceeding RM10,000.00.

2 units of apartments located in Batu Caves, Selangor in which Dynamic Transforms are using as workers' accommodations to house 16 of its foreign workers were without certificates of accommodation since the first quarter of 2024. On 7 January 2025, Dynamic Transforms obtained the certificates of accommodation from the Ministry of Human Resources. As at LPD, no action has been taken against Dynamic Transforms in respect of the abovementioned non-compliance. Dynamic Transforms had incurred a total of RM200.00 for the purpose of obtaining the certificates of accommodation for the premises.

In addition, a total of 78 units of apartments located in Mantin, Negeri Sembilan, rented by Dynamic Transforms and Ming Feng to house their foreign workers, have had their certificates of accommodation expired on 29 March 2025. Following the failure of the landlord to obtain renewed certificates of accommodation, the landlord had on 15 July 2025 relocated Dynamic Transforms' and Ming Feng's foreign workers to a new hostel located in Menara H situated in Seremban, Negeri Sembilan which are issued with certificates of accommodation. As at LPD, no action has been taken against Ming Feng and Dynamic Transforms in respect of the abovementioned non-compliance.

Our Board is of the view that the non-compliances have no material impact to our Group's business operations or financial performance in view that the rectification cost and relocation cost incurred was not material. Notwithstanding, our Group maintains a record of accommodation to monitor and ensure all accommodations have obtained the certificates of accommodation.

(q) Income Tax Act 1967 ("ITA 1967")

Pursuant to Section 77A(1) of ITA 1967, a company is required to submit an income tax return and make all tax payments to IRB within 7 months from the date following the close of the accounting period which constitutes the basis period for the year of assessment.

Section 103(3) of ITA 1967 provides that where any tax due and payable has not been paid by the due date, so much of the tax as is unpaid upon the expiration of that date shall without any further notice being served, be increased by a sum equal to 10% of the tax so unpaid, and that sum shall be recoverable as if it were tax due and payable

6. INFORMATION ON OUR GROUP *(Cont'd)*

under the ITA 1967. Section 107C(1) of ITA 1967 states that every company shall for each year of assessment furnish an estimate of its tax payable. Further, Section 107C(5) of ITA 1967 states that where an estimate of tax payable for a year of assessment has been furnished, that amount shall be paid in equal monthly instalments according to the number of months in the basis period and each instalment shall be paid by the due date beginning from the second month of the basis period for the year of assessment. Section 107C(9) of ITA 1967 provides that if a company fails to pay monthly instalment of tax on time, the amount unpaid shall, without any further notice being served, be increased by a sum of equal 10% of the amount unpaid. In addition, Section 107C(10) of ITA 1967 states that if a company's actual tax payable exceeds the estimate of tax payable for the year of assessment by more than 30% of the tax payable, the difference between that amount and 30% of the tax payable shall be subject to an additional 10% tax charges.

Enest, Ming Feng, Dynamic Transforms, Enest Marketing and Enest Properties were imposed with additional 10% tax charges for years of assessment 2020, 2021, 2022, and/or 2023 in respect of:

(a) late payment of tax instalment pursuant to Section 107C(9) of ITA 1967;

(b) late payment of balance tax payable pursuant to Section 103(3) of ITA 1967; and

(c) underestimation of tax payable pursuant to Section 107C(10) of ITA 1967,

for a total amount of RM69,893.28 for year of assessment 2020, RM71,785.34 for year of assessment 2021, RM85,051.12 for year of assessment 2022, and RM39,647.39 for year of assessment 2023.

In addition, Section 77A(1B) of ITA 1967 provides that a company who disposes of capital asset shall, within 60 days of the date of disposal of that asset, submit a return in the prescribed form. Pursuant to Section 112(1) of the ITA 1967, any person who makes default in furnishing a return in accordance with subsection 77A(1) or (1B) in respect of any one year of assessment, shall be liable to a fine not less than RM200.00 or not more than RM20,000.00 or to imprisonment for a term not exceeding 6 months or to both. Further Section 112(3) of the ITA 1967 provides that where in relation to a year of assessment any person who makes default in furnishing a return in accordance with subsection 77A(1) or (1B) in respect of any one year of assessment, and no prosecution has been instituted in relation to that default, may be imposed with penalty equal to treble the amount of the tax which, before any set-off, repayment or relief under the ITA 1967, is payable for that year.

On 17 April 2024, our Company entered into a share sale agreement with Puah Chuan Hock for the sale of 200,000 shares in Martell Swiftlets Sdn Bhd (formerly known as Enest Swiftlets Sdn Bhd), representing 100% of its issued share capital, for a total consideration of RM900,000.00. Enest was required to submit the Capital Gain Tax ("**CGT**") return form together the CGT payment within 60 days from the disposal date, i.e. 17 April 2024. However, the CGT return form and the CGT payment was only filed and paid on 24 December 2024, resulting in a penalty of RM2,700 under Section 112(3).

As at LPD, our Group has fully settled the additional tax charge totalling RM266,377.13 and the outstanding CGT payment and penalty amounting to RM2,700.00 imposed by IRB. To prevent the occurrence of the abovementioned non-compliances:

(a) our Group has set up a recurring payment instruction to ensure timely monthly payment of tax instalment; and

6. INFORMATION ON OUR GROUP *(Cont'd)*

(b) our finance and accounting team will communicate with our tax agent to ensure the proper computation of the tax payable estimation and prompt payment of tax payable.

(r) LEAP Market Listing Requirements

The purpose of the LEAP Market Listing Requirements is to set out the requirements that must be complied with by all applicants, listed corporations, their directors, advisers or other persons to whom the LEAP Market Listing Requirements are directed so long as the listed corporation or its securities is listed on the LEAP Market. Failure to comply with any of the LEAP Market Listing Requirements will amount to a breach in respect of which actions may be taken or penalties may be imposed, or both.

Rule 7.04 of the LEAP Market Listing Requirements states that where any one of the percentage ratios of a transaction is 10% or more, the listed corporation must announce the transaction to Bursa Securities as soon as possible after terms of the transaction have been agreed.

On 31 October 2023, Enest Properties (as purchaser) entered into 2 separate sale and purchase agreements dated on even date with NCT Land Sdn Bhd (as developer) for the acquisition of 2 units of leasehold land located at NCT Smart Industrial Park, Kuala Langat, Selangor, measuring 1,208 square metres in land area, to be erected thereon with 2 units of 2 storey semi-detached factory, for a total cash consideration of RM6,333,000.00 (nett of rebates). As the percentage ratio was more than 10%, our Company was required to make the announcement pursuant to the LEAP Market Listing Requirements. Due to oversight, the announcement in respect of the acquisitions was only made on 2 May 2025.

On 7 May 2025, our Company was issued a caution email by Bursa Securities, reminding us to ensure strict compliance with the LEAP Market Listing Requirements. Notwithstanding, our Company has established standard operating procedures to prevent such future occurrence. These procedures encompass clearly defined percentage ratio calculations, transaction reviews by designated personnel and approval according to our authority matrix (including to our Board).

6.11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Our Group recognises the importance of sustainability and the impact of our business to the environment as the environment, community and animals are elements of one interconnected system. Our Group is committed to working with social and environmental responsibility and towards sustainable practices whilst attempting to achieve the balance between environmental conservation, the wider community and economic success. Our Group undertakes all reasonable efforts to ensure compliance with all applicable national and local safety, labour, and environmental obligations.

The following are some environmental, social and governance practices which we carry out:

(a) Environmental

The main waste materials generated from RCEBN processing comprise feathers, impurities and RUBN fragments. We install traps to collect the suspended waste particles from the wastewater before the wastewater is discharged into the drainage system. The waste materials are then collected and dried. For the last 3 FYEs 2023, 2024 and 2025, the waste materials were donated to swiftlet farmers. Swiftlet farmers

6. INFORMATION ON OUR GROUP *(Cont'd)*

generally use these waste materials to attract swiftlets by recreating a familiar habitat for the swiftlets through smell.

In order to reduce carbon footprint, we:

- reuse and recycle paper. In addition, we encourage our employees to collect recyclable waste in the office;
- where possible and practical, we encourage the use of digital documents;
- adopt energy-efficient lightings where LED lighting is being used in our main office and processing facilities; and
- adopt the practice of turning off unnecessary electrical equipment and lights.

(b) Social

Our Group is committed to providing equal opportunities to all employees and candidates regardless of gender, age, ethnicity, marital status, disability and religious belief. All employees are recruited based on merits.

Our Group has employee handbooks in place which stipulate procedures regarding employment, dismissal, working hours, other benefits and welfare, development and training, and employees' code of conduct. Such employee handbooks aim to provide employees with guidance on daily operation practices, establish a standard for employees to be treated fairly, and establish a sound management system to manage our Group's internal social issues. Public holidays, marital leave, maternity leave, compassionate leave and annual leave are also granted by our Group according to labour law and regulations.

Promotional and job opportunities are offered to existing employees and suitable candidates, where selection is based on the assessment of the work performance of all individuals on merit, qualifications, abilities, and suitability for the position. We support the upgrading of employees' skills and knowledge to enhance their competencies, including sponsoring training/education programmes for eligible employees with a focus on safety related courses such as HACCP Implementation and Documentation, Food Handler Training, MyWalit Blockchain System Training *(DVS launched the MyWalit, which is a traceability system to make it easier for all stakeholders in the swiftlet bird's nest industry to track each transaction and activity)* and Internal Food Safety Auditor Training Programme. To enhance employee engagement, our Group organises staff activities to foster collaboration, cohesion and camaraderie at the workplace, such as hosting cultural celebratory dinners, off-site team building activities, sports events, company trips and concerts.

Our Group has also participated in local charity efforts to give back to society by conducting visits as well as making direct donations to charitable organisations with essential goods, food and cash.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(c) Governance

Our Group has put in place a code of conduct and ethics which sets out our internal control policies and procedures, which include managing conflicts of interest as well as preventing bribery and corruption, money laundering and insider trading.

- Our anti-money laundering policy requires our Directors and employees to ensure that business is conducted with customers, vendors and business partners for legitimate business purposes. Our Directors and employees are required to report suspicious transaction activities and to comply with the Anti-Money Laundering, Anti-Terrorism Financing Act and Proceeds of Unlawful Activities 2001;

- We have established an anti-bribery and corruption policy to ensure compliance with applicable anti-bribery and corruption law and regulations, including the Malaysian Anti-Corruption Commission Act 2009. Our Directors and employees are required to keep proper and complete records of transactions and payment as well as be alert to and report violations or suspected violations via our whistleblowing mechanism.

- In accordance with our insider trading policy, our Directors and employees are discouraged from engaging in speculative trading in our securities and are required to observe the prohibitions imposed on "insiders" under the CMSA. Directors and employees in possession of material or price sensitive information may not trade in our securities.

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6. INFORMATION ON OUR GROUP *(Cont'd)*

6.12 EMPLOYEES

As at LPD, we have a total workforce of 185 personnel, consisting of 178 employees (which consists of permanent and contractual employees) and 7 interns. Excluding the interns, local employees accounted for approximately 22.5% of our total workforce while the remaining 77.5% are foreign workers. All of our foreign workers have valid working permits. All our local workers are permanent employees whilst all our foreign workers are contractual employees. The breakdown of our personnel as at 31 December 2025 and as at LPD are as follows:

	No. of employees	
Category of employees[1]	**As at 31 December 2025**	**As at LPD**
Directors and key management	4	4
Accounts and administration	9	6
Healthcare and personal care retail	2	2
Production management	6	4
Production		
- Local	45	30
- Foreign	161	139[2]
	227	**185**

Notes:

(1) All our employees are based in Klang Valley and Negeri Sembilan.

(2) Includes one foreign intern.

Since the second half of 2024, we have invested in bird's nest picking devices (which comprises a power box and vacuum tweezer) to ease and increase the speed of our cleaning processes as well as reduce our labour needs for our processing operations. This investment enhanced our operational efficiency, thus enabling us to process higher volumes of RCEBN with a lower headcount. Consequently, we reduced our number of employees to our current headcount as shown in the table above.

None of our employees belong to any labour union. As at LPD, there is no material dispute between our management and our employees. Over the FYE 2022 to FYE 2025, there was no incident of work stoppage or labour disputes that has materially affected our operations.

Notwithstanding, there was a dispute between Ming Feng and a worker ("Claimant"), who was dissatisfied over what she claimed to be unfair dismissal without proper procedure or notice. As a result, she lodged a report with the Department of Industrial Relations Malaysia on 15 July 2024. Following several negotiation sessions between Ming Feng and the Claimant that failed to reach a resolution, the matter was referred to the Industrial Court of Malaysia. Subsequently, the parties reached a settlement and obtained a consent award from the Industrial Court of Malaysia dated 5 May 2025 wherein Ming Feng shall, without admission of liability, pay to the Claimant a sum of RM11,500.00 as full and final settlement of the dispute, which has been fully settled as at the LPD.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.13 OTHER INFORMATION ON OUR LISTING ON THE LEAP MARKET

6.13.1 Details and status of utilisation of proceeds raised from our listing on the LEAP Market

	Amount raised	Utilisation as at LPD	Variation	Balance
	RM'000	**RM'000**	**RM'000**	**RM'000**
Research and development expenditure to develop cosmetic products containing bird's nest essence	500	101	399[(a)]	-
Capital expenditure to expand and renovate the existing production facilities	501	501	-	-
Brand development expenditure (which includes the rental and renovation costs of 2 small office home office ("**SOHO**") units as a marketing office-cum-product showroom in the Kuala Lumpur city centre)	406	102	304[(b)]	-
Working capital[(c)]	1,593	2,596	(1,003)	-
Estimated listing expenses	1,000	700	300	-
	4,000	**4,000**		

Notes:

(a) RM0.50 million was earmarked to develop cosmetic products containing bird's nest essence. The development process commenced in April 2022 and the new product which is a health beverage (i.e. mixed collagen, bird's nest peptide and pomegranate health beverage) was commercialised under the name of 'Rejuvnest' in August 2022 at a cost of approximately RM0.10 million. The remaining unutilised amount was reallocated to purchase RUBN supplies.

(b) RM0.41 million was earmarked to strengthen the branding of our RCEBN under the 'Bai Leng Yan' brand by providing convenience to customers from China for product viewing at our marketing office-cum-product showroom. The cost of renovation for the marketing office-cum-product showroom was approximately RM0.10 million. As the rental fee for the SOHOs was financed from working capital, the remaining unutilised amount was reallocated to purchase RUBN supplies.

(c) The proceeds for working capital was used to purchase RUBN supplies.

Our Company raised gross proceeds of RM4.0 million through the issuance of 50,000,000 new Shares of RM0.08 per Share. On 28 June 2021, we announced the extension of the timeframe to utilise our remaining listing proceeds for an additional 24 months, from 6 August 2021 to 5 August 2023. Subsequently, on 15 June 2023, we obtained shareholders' approval to vary the remaining unutilised proceeds earmarked for (i) research and development expenditure; and (ii) brand development expenditure, to be reallocated to working capital. This was due to these expenditures being lower than our original estimates.

As at LPD, we have fully utilised the proceeds raised from our listing on the LEAP Market.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.13.2 Details and status of business plan as disclosed in the Information Memorandum

Section of Information Memorandum	Extraction from the Information Memorandum	Current Status
Section 4.11(i) Progressively venture into developing cosmetic products containing bird's nest essence	Our Group is in discussions with relevant faculties in local universities to explore the possibility of establishing partnerships to create new products containing bird's nest essence. The research serves to, amongst others, observe the daily optimum amount for consumption by the human body and discover health benefits associated with the consumption and/or application of bird's nest. The findings of the research will be applied towards developing cosmetic products containing bird's nest essence to expand its product range. Post-development of the new cosmetic products, the Company will apply for the necessary approval from the relevant authorities before commercialising the new products. Our Group intends to engage a contract manufacturer to manufacture the new cosmetic products. The commercialisation of the new cosmetic products is intended to be financed by internally generated funds and/or external borrowings. RM0.50 million of the proceeds raised from its listing on the LEAP Market was earmarked for the progressive development of cosmetic products containing bird's nest essence. The development of the cosmetic products will be carried out progressively, and is expected to entail the (i) research and development stage (within 24 months from its listing in the LEAP Market); and (ii)	Our Group explored with several local universities (i.e. University of Nottingham Malaysia, Universiti Kebangsaan Malaysia and Universiti Putra Malaysia) and a manufacturer specialising in research and development of traditional herbal products as part of our venture to move into the downstream segment. The exploration resulted in the development of a mixed collagen, bird's nest peptide and pomegranate health beverage. The development process for the health beverage commenced in April 2022, and was subsequently commercialised in August 2022 under the name of 'Rejuvnest'. Approximately RM0.10 million of the listing proceeds was used to develop the 'Rejuvnest' health beverage. The demand for the 'Rejuvnest' health beverage was however only modest. Due to the modest demand and high cost of research and development for which a successful outcome is not guaranteed, we decided not to pursue further efforts to develop new products containing bird's nest going forward. As such, with the remaining proceeds of approximately RM0.40 million earmarked for research and development expenditure, we varied the utilisation of the remaining proceeds to be used for the purchase of RUBN supplies. On 15 June 2023, our

6. INFORMATION ON OUR GROUP *(Cont'd)*

Section of Information Memorandum	Extraction from the Information Memorandum	Current Status
	commercialisation stage (within 12 months upon completion of the research and development stage).	shareholders approved the variation of the proceeds at a general meeting. Our Group will continue to sell the 'Rejuvnest' health beverage through our own outlet and e-commerce platforms to push awareness of the said product into the market.
Section 4.11(ii) Expand the production facilities	Our Kajang Facility is located at No. 2, First Floor, Jalan Semenyih, 43000 Kajang and Batu Caves. We intend to expand our production team and require more space for processing activities and intend to hire up to an additional 150 general workers to undertake processing of RCEBN. To facilitate this growth, we intend to expand our Kajang Facility. Our headquarters and Kajang Facility are located on the first floor of a 3½ storey shoplot in Kajang, while the warehouse is located on the ground floor of the same shoplot. Our Company intends to rent the mezzanine and second floor and are currently in the midst of finalising the rental agreements for the premises. Once the rental agreements are finalised and the receipt of the proceeds from the listing on the LEAP Market is obtained, renovation works will begin. The new warehouse will be on the ground floor of the shoplot, while the production facilities will be located on the mezzanine, first and second floor of the said shoplot. Renovation works is expected to take 6 months to complete and upon completion, recruitment activities will commence, with operations at the new	Renovation for our Kajang Facility on the mezzanine floor and second floor of No. 2, Jalan Semenyih, 43000 Kajang commenced in September 2019 and was completed in January 2020 at a cost of RM0.77 million, of which RM0.50 million was funded from the listing proceeds and RM0.27 million was financed from internally generated funds. Although renovation works was completed in January 2020, due to the nationwide lockdown and border closure arising from the COVID-19 pandemic, new foreign employees could only be recruited in the FYE 31 December 2022. Our workers for the processing of RCEBN at our Kajang Facility increased from 27 as at 31 December 2020 to 77 as at 31 December 2022 and subsequently to 106 as at 31 December 2023. We moved into the new adjacent space in the last quarter of 2022.

6. INFORMATION ON OUR GROUP *(Cont'd)*

Section of Information Memorandum	Extraction from the Information Memorandum	Current Status
	headquarters and production facility to commence by end of 2019. RM0.50 million of the proceeds raised from our listing on the LEAP Market was earmarked to fund the renovation works.	
Section 4.11(iii) Strengthen the EBN brand and venture into the retail of EBN under our own brand name	Our Group intends to strengthen the branding of our EBN under the 'Bai Leng Yen' brand name. Our Group intends to rent and renovate 2 units of SOHOs located in the Kuala Lumpur city centre as our marketing office and product showroom to provide accessibility and convenience to customers from China for product viewing with the aim to increase business and product visibility and awareness. A total of approximately RM0.41 million of the proceeds raised from our listing on the LEAP Market was earmarked for the following: Renovation — RM0.32 million Rental payment for 24 months — RM0.09 million We believe that the marketing efforts in building the 'Bai Leng Yen' brand name will ease our venture into the retail segment.	Our Group's EBN are mainly sold unbranded. However, our Group has been endeavouring to sell our EBN under our 'Bai Leng Yen' brand. As a means to create brand awareness, we rented 2 units of SOHOs as the marketing office and product showroom to display our bird's nest for customers' viewing. Our Group commenced renovation on the SOHO units with the renovation costing approximately RM0.10 million which was funded from the listing proceeds. However, due to substantial marketing efforts and costs, our Group has temporary paused our venture into the branding of our EBN. With the remaining proceeds of approximately RM0.30 million, we had on 15 June 2023 obtained shareholders' approval to vary the utilisation of the remaining proceeds for the purchase of RUBN supplies. The tenancies for the 2 units of SOHOs were for a period of 3 years from 1 December 2021 until 30 November 2024 which was funded from internally generated funds. We did not renew the said tenancies upon expiry.

7. BUSINESS OVERVIEW

7.1 OUR HISTORY

7.1.1 Overview of our Group

Our Company was incorporated in Malaysia on 9 April 2018 under the Act as a private limited company under the name of Enest Group Sdn Bhd. On 16 November 2018, we were converted into a public limited company and adopted our present name to facilitate our listing on the LEAP Market on 7 August 2019.

Our Group is principally involved in the processing and sale of RCEBN, trading of EBN, and sale of processed bird's nest products. In addition, we are also involved in the operations of a health and personal care retail store under the trade name 'Kang Li'.

7.1.2 Background and history of our business

Changes in shareholdings and ownership

The changes in shareholdings and ownership of our subsidiaries and associated company are as follows:

(i) Ming Feng

Ming Feng was incorporated on 26 January 2015 by our Promoters and financial contributions from 5 other shareholders.

Spearheaded by Tan Teh Jie, Ming Feng started business in April 2015 and is principally involved in the processing and sale of RCEBN.

(ii) Dynamic Transforms

Dynamic Transforms was incorporated on 19 February 2003 and is principally involved in the processing and sale of RCEBN.

- Dynamic Transforms was incorporated by Ng Siew Huang (50%) and Ng Lui Keng @ Ng Joo Keng (50%) with 2 subscriber shares.
- On 15 March 2004, Wong Say Ling and Chen Kong Loong acquired the 2 subscriber shares of Ng Siew Huang and Ng Lui Keng @ Ng Joo Keng.
- On 4 June 2004, 99,998 new shares were issued and the entry of a new shareholder, Liew Choong Beng. Following the issuance of the new shares, Wong Say Ling held 10,000 shares (10%), Chen Kong Loong held 65,000 shares (65%) and Liew Choong Beng held 25,000 shares (25%) in Dynamic Transforms.
- Between the period from 1 December 2004 and 15 November 2009, through a series of transfers between the shareholders and other persons, as at 15 November 2009, Wong Say Ling held 5,000 shares (5%), Liew Choong Beng held 15,000 shares (15%), Chee Chooi Hong held 32,000 shares (32%), Chow Chin Ngai held 28,000 shares (28%) and Chew Tock Juan held 20,000 shares (20%) in Dynamic Transforms.
- On 29 December 2009, 50,000 new shares were issued to Chee Chooi Hong. Following the issuance of the new shares, Wong Say Ling held 5,000 shares (3%), Liew Choong Beng held 15,000 shares (10%), Chee Chooi Hong held 82,000 shares (55%), Chow Chin Ngai held 28,000 shares (19%) and Chew Tock Juan held 20,000 shares (13%) in Dynamic Transforms.
- On 30 June 2013, Chew Tock Juan transferred 2,000 shares to Chee Chooi Hong. Resulting thereto, Wong Say Ling held 5,000 shares (3%), Liew Choong Beng held 15,000 shares (10%), Chee Chooi Hong held 84,000 shares (56%), Chow Chin Ngai held 28,000 shares (19%) and Chew Tock Juan held 18,000 shares (12%) in Dynamic Transforms.

7. BUSINESS OVERVIEW *(Cont'd)*

- Subsequently, on 12 July 2013, 450,000 new shares were issued to certain shareholders. Arising from the issuance of the new shares, Wong Say Ling held 36,000 shares (6%), Liew Choong Beng held 90,000 shares (15%), Chee Chooi Hong held 282,000 shares (47%), Chow Chin Ngai held 174,000 shares (29%) and Chew Tock Juan held 18,000 shares (3%) in Dynamic Transforms.
- On 10 April 2014, Wong Say Ling transferred her entire 36,000 shares equally to Lok Chyi Yeu who held 18,000 shares (3%) and Kim Yee Han who held 18,000 shares (3%).
- On 8 November 2017 Chee Chooi Hong transferred 42,000 shares to Lok Chyi Yeu.
- On 30 January 2018, Kim Yee Han transferred her entire 18,000 shares (3%) in Dynamic Transforms to Chee Chooi Hong. Resulting thereto, Liew Choong Beng held 90,000 shares (15%), Chee Chooi Hong held 258,000 shares (43%), Chow Chin Ngai held 174,000 shares (29%), Chew Tock Juan held 18,000 shares (3%) and Lok Chyi Yeu held 60,000 shares (10%) in Dynamic Transforms.

Pursuant to a sale and purchase agreement dated 2 February 2018 entered into between Ming Feng (as purchaser) and Chee Chooi Hong, Chow Chin Ngai, Liew Choong Beng and Chew Tock Juan, which was supplemented by a letter dated 30 May 2018 to vary the vendors and the number of shares in Dynamic Transforms to be disposed to Ming Feng, Ming Feng acquired 420,000 shares in Dynamic Transforms, representing 70.0% equity interest, from Chee Chooi Hong and Chow Chin Ngai* for a total cash purchase consideration of RM2.10 million.

* Ming Feng acquired only 162,000 shares (27%) from Chow Chin Ngai.

On 16 April 2018, Ming Feng also separately entered into a sale and purchase agreement with Lok Chyi Yeu to acquire 60,000 shares in Dynamic Transforms, representing 10.0% equity interest, for a purchase consideration of RM0.30 million which was satisfied by the issuance of 321,600 new shares in Ming Feng. Resulting therefrom, Ming Feng held a total of 80% equity interest in Dynamic Transforms.

(iii) Ye Lin

Ye Lin was incorporated in China on 22 August 2016 by Tan Heng Guan, Tan Teh Jie and Tan Teh Sheng. Since incorporation, Ye Lin did not commence any business activities. Subsequently, on 15 September 2018, our Company acquired 100.0% equity interest in Ye Lin from Tan Heng Guan, Tan Teh Jie and Tan Teh Sheng for an aggregate purchase consideration of RMB100, with the intention for Ye Lin to be an importer of RCEBN and to conduct customs clearance.

On 18 June 2020, in light of a proposed collaboration with Nanjing Jiaochi Food Technology Co., Ltd (南京骄驰食品科技有限公司) to act as a wholesaler to offtake our Group's RCEBN via Ye Lin, we transferred 50.0% equity interest in Ye Lin to Nanjing Jiaochi Food Technology Co., Ltd (南京骄驰食品科技有限公司) for nil consideration. On 21 May 2021, the said equity interest was subsequently acquired back for a cash consideration of RMB50 when the collaboration with Nanjing Jiaochi Food Technology Co., Ltd (南京骄驰食品科技有限公司) did not materialise.

Ye Lin is principally involved in the import of RCEBN into China, allowing us to sell directly to retailers in China, as opposed to selling through importers and/or distributors.

7. BUSINESS OVERVIEW *(Cont'd)*

(iv) Enest Marketing

Enest Marketing was incorporated on 20 April 2021 and is principally involved in the trading of RUBN and sale of processed bird's nest products.

(v) Kang Li

Kang Li was incorporated on 18 February 2021 and is principally involved in the operations of a health and personal care retail store.

(vi) Enest Properties

Enest Properties was incorporated on 7 September 2020 as a property investment holding company, holding some of our properties held for investment.

(vii) Dynamic Bird Nest

Dynamic Bird Nest was incorporated on 23 September 2019 as a joint-venture with Myboce Marketing Sdn Bhd to undertake the export of RUBN to China. Currently, Dynamic Bird Nest has not commenced operations. As at LPD, Enest holds 27.0% in Dynamic Bird Nest, with Myboce Marketing Sdn Bhd and Wan Mohd Hazrie bin Wan Mokhtar holding 63.0% and 10.0% equity interests, respectively. Myboce Marketing Sdn Bhd is held 60.0% by Goh Teck Bin and 40.0% by Lau Yee Wu.

Growth of our business

Our history is traced back to the commencement of the business of Ming Feng in April 2015 where we processed and sold RCEBN on a small-scale basis to local distributors from a rented shophouse at No. 2-First Floor, Jalan Semenyih, 43000 Kajang, Selangor which has a built-up area of 4,160 sq ft ("**Kajang Facility**").

Through connections made at various trade associations locally and in China as well as active participation in trade exhibitions in Hong Kong, Australia and Singapore, in April 2016, we secured our first international order from a distributor in Hong Kong for 19.6 kg of RCEBN. In March 2017, we secured our first order from a food ingredient distributor in Australia for 2.0 kg of RCEBN and in November 2017, we exported our first order to Singapore.

On 30 May 2018, we completed the acquisition of 80% equity interest in Dynamic Transforms. Dynamic Transforms was previously both a customer and supplier of Ming Feng. Dynamic Transforms operates from its processing facility at 15, 15A, 15B & 15C and 13C, Jalan PS 9/2, Prima Selayang, Batu Caves, Selangor, which has a total built-up area of approximately 9,580 sq ft ("**Batu Caves Facility**"). The acquisition of Dynamic Transforms gave us immediate access to the China market and additional processing capabilities as Dynamic Transforms and the Batu Caves Facility was already registered with GACC allowing Dynamic Transforms to export RCEBN to China. Nonetheless, in June 2018, GACC registered Ming Feng and the Kajang Facility allowing Ming Feng to export RCEBN to China. We secured our first significant order to a distributor in Shanghai, China in July 2018 for 120.0 kg of RCEBN.

In September 2018, we acquired 100.0% equity interest in Ye Lin from Tan Teh Jie, Tan Teh Sheng and Tan Heng Guan with the intention for Ye Lin to be an importer of RCEBN and to conduct customs clearance, enabling us to sell directly to retailers in China, as opposed to selling through importers and/or distributors.

7. BUSINESS OVERVIEW *(Cont'd)*

To cater for further business expansion, we rented adjacent floors of our Kajang Facility at No. 2B-G, 2B-M and 2B-2, Jalan Semenyih, 43000 Kajang, Selangor to increase our built-up area from 4,160 sq ft to 9,464 sq ft. Renovation works were completed in January 2020, however, due to the movement control order and border closure arising from the COVID-19 pandemic, our Group only started increasing our foreign employees recruitment in the last quarter of 2022. We moved into the new adjacent floors in the last quarter of 2022.

In 2021, seeing an opportunity from the COVID-19 pandemic, we ventured into the operations of health and personal care retail stores. We established 2 retail stores located in Telok Panglima Garang in Klang and Mantin in Negeri Sembilan in December 2021 and another in Taman Equine in Seri Kembangan in June 2022. The retail stores in Telok Panglima Garang and Taman Equine subsequently ceased operations in February 2024 and September 2025, respectively.

In 2022, we worked with a contract manufacturer as part of our venture to move downstream to develop ready-to-eat products. This resulted in the development of a mixed collagen, bird's nest peptide and pomegranate health beverage using our RCEBN, which was commercialised in August 2022 under the name 'Rejuvnest'.

In 2023, in addition to the health beverage, we expanded our range of processed bird's nest products with our first sale of bottled bird's nest under the name of 'Enest' which we outsourced to contract manufacturers using our RCEBN.

7.2 KEY ACHIEVEMENTS AND MILESTONES

Year	Achievement or Milestones
2015	• Commenced business in the processing and sale of RCEBN
2016	• Our first international export of RCEBN to Hong Kong
2017	• Our first export of RCEBN to Australia • Our first export of RCEBN to Singapore
2018	• Completed the acquisition of 80.0% equity interest in Dynamic Transforms • Ming Feng was registered with GACC, allowing us to process and export RCEBN to China • Secured our first and significant order to China • Acquired 100.0% equity interest in Ye Lin
2019	• Listed on the LEAP Market
2020	• Completed renovation of adjacent floors of our Kajang Facility at No. 2B-G, 2B-M and 2B-2, Jalan Semenyih, 43000 Kajang, Selangor
2021	• Commenced operations of retail stores in Telok Panglima Garang[(1)] and Mantin
2022	• Commenced operations of third retail store in Taman Equine[(1)] • Commercialised a mixed bird's nest peptide and pomegranate health beverage under the name of 'Rejuvnest'
2023	• Expanded our range of processed bird's nest products with our first sale of bottled bird's nest under the name of 'Enest'

7. BUSINESS OVERVIEW *(Cont'd)*

Note:

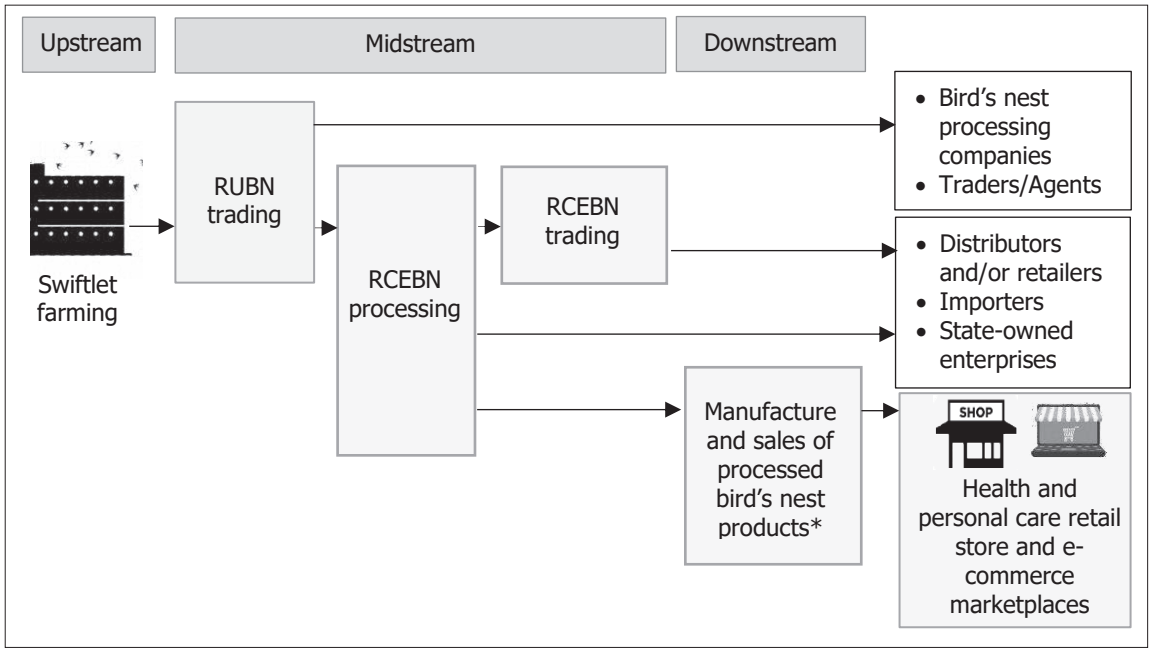
(1) Our retail stores in Telok Panglima Garang and Taman Equine ceased operations in 2024 and 2025, respectively.

We have obtained several certifications for food quality and safety standard compliance, such as MeSTI, GMP, HACCP and VHM for our processing facilities. These certifications are a testament of our Group's capabilities to meet local and international standards and regulations. Our processing facilities and products are also halal certified by JAKIM, providing assurance that our products meet the required standards for consumption by Muslims.

7.3 DESCRIPTION OF OUR BUSINESS

7.3.1 OVERVIEW

Our Group operates in the midstream and downstream segments of the EBN industry value chain where the midstream segment refers to trading of EBN and the processing of RCEBN while the downstream segment refers to the development of processed bird's nest products. The diagram below illustrates the above segments:



Notes:

Depicts the segments in which our Group is involved in.

* Currently, our Group outsources the manufacture of processed bird's nest products to contract manufacturers.

We sell our processed bird's nest products in the domestic market through our own health and personal care retail store and storefronts on e-commerce marketplaces such as Shopee and Lazada.

7. BUSINESS OVERVIEW *(Cont'd)*

Our business model is as depicted below:

Business activities	Products	Geographical markets	Customer base
 Processing and sale of RCEBN	• RCEBN	• China • Others (comprising Australia, Vietnam, Taiwan, Hong Kong, Japan, New Zealand and USA)	• Distributors and/or retailers • Importers • State-owned enterprises
Trading of EBN  Trading of RCEBN  Trading of RUBN	• RCEBN • RUBN	• China • Malaysia	• Distributors and/or retailers • Importers • State-owned enterprises • Bird's nest processing companies • Traders/Agents
 Sale of processed bird's nest products	• Bottled bird's nest • Health beverage	• Malaysia	• Retailers • End-customers
 Operations of a health and personal care retail store	• Health and personal care products • Processed bird's nest products	• Malaysia	• End-customers

Note:

Our business model diagram above does not include rental services from the letting out of our investment property managed by a property management company as it is not our Group's core business activity. For reporting purposes, Taiwan and Hong Kong are presented separately from China.

7.3.2 PRINCIPAL ACTIVITIES AND PRODUCTS

Our principal activities and range of products are categorised as follows:

(i) Processing and sale of RCEBN

EBN is bird's nest made from the solidified salivary secretions of swiftlets during the nesting and breeding season. RUBN is bird's nest harvested from caves and purpose-built swiftlet houses without any cleaning, with visible varying degrees of cleanliness depending on the presence of feathers and impurities such as eggshells, swiftlet droppings and sand particles. RCEBN is EBN that has undergone a meticulous cleaning process to remove feathers and impurities.

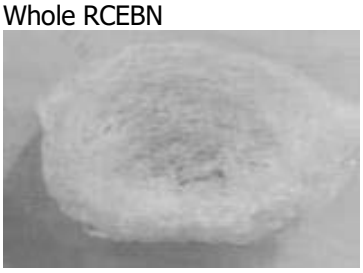
7. BUSINESS OVERVIEW *(Cont'd)*

According to the IMR Report, EBN is nutritious and considered in Chinese culture to have health benefits on the overall well-being such as strengthening the immune system, reducing phlegm and relieving sore throats, maintaining healthy skin and increasing energy and stamina. Consequently, with the gradual improvement of living standards and disposable income, the growth of EBN consumption due to its various health and nutritional benefits have led to strong global demand, especially from China. With the high demand, swiftlet farming and the EBN industry have emerged as a growth industry within the food sector amongst Southeast Asian countries in the recent decade.

Our Group is principally involved in the processing and sale of RCEBN. RCEBN processing typically involves but not limited to the following steps: sorting/preparation, deep cleaning, trimming, moulding, drying, heat treatment, packaging and labelling. The processing of RCEBN is at the core of the EBN industry where the cleaning process is the most vital.

Our processing of RCEBN is undertaken in-house at our Kajang Facility and Batu Caves Facility. As an assurance of our quality and safety, our processing facilities and processes comply with food quality and safety standards such as MeSTI, GMP, HACCP and VHM. In addition, we have also obtained the halal certification from JAKIM, which provides assurance that our products and processes meet the required standards for consumption by Muslims. This certification is beneficial to us as they allow us to reach to a wider market in Malaysia and to other Muslim populations in the Asia Pacific region.

The main types of RCEBN we process for sale can be categorised as follows:

Product	
Whole RCEBN 	Our whole RCEBN is dense and comes in the shape of a cup. Each type of RCEBN comes in different cleanliness, colours and sizes. These factors are emphasised when grading RCEBN.
Loose RCEBN 	Loose RCEBN refers to broken pieces from a whole bird's nest. Loose RCEBN is sold 'as is', i.e. in strips, or sold as cakes which are fragmented RCEBN shaped and compressed into the shape and size of a biscuit.

Our RCEBN are exported and sold unbranded to distributors and/or retailers, state-owned enterprises and importers mainly to China through our subsidiaries, Ming Feng, Dynamic Transforms as well as through Ye Lin (via imports from Ming Feng, Dynamic Transforms). According to the IMR Report, China including Taiwan, Macao and Hong Kong is Malaysia's largest importer of EBN, accounting for 94.6% of Malaysia's export value of EBN to China in 2025, which translates to RM767.6 million. China generally relies on imports to fulfil its demand for EBN due to limited domestic production.

7. BUSINESS OVERVIEW *(Cont'd)*

(ii) Trading of EBN

RUBN

In addition, our Group also sells RUBN to RCEBN processing companies and traders/agents. We do not undertake any processing activities to deep clean the RUBN of impurities.

We have a network of suppliers from which we procure RUBN, either to process into RCEBN or to trade RUBN. Our Group sources RUBN from swiftlet houses or traders/agents who, in turn, source from swiftlet houses, that are registered with a unique identification number by DVS. As at LPD, our suppliers source RUBN supplies from approximately 940 registered swiftlet houses. Our customers procure RUBN from us as we are able to source for a wide range of RUBN of various shapes, sizes, colour and cleanliness.

We only trade RUBN to customers in the domestic market. We generally do not keep an inventory for our trading of RUBN.

RCEBN

Our Group, through Ye Lin, also purchases RCEBN from registered processing companies in Malaysia to resell to our customers. We generally only trade RCEBN in China to support and maintain relationship with our customers.

(iii) Sale of processed bird's nest products

Processed bird's nest products refer to our products that have been further processed into health food or beverages or ready-to-eat products. As at LPD, we sell the following processed bird's nest products:

Product	Descriptions
Bottled bird's nest 	Bottled bird's nest is cooked bird's nest that is bottled for convenience of consumption. As at LPD, our bottled bird's nest are available in 4 variations: • Bottled bird's nest with rock sugar • Bottled bird's nest with honey rock sugar • Bottled bird's nest with red dates • Sugar-free bottled bird's nest
'Rejuvnest' health beverage 	'Rejuvnest' is a health beverage in the form of sachets. It is formulated using RCEBN peptides, as well as other ingredients such as collagen and pomegranate.

For the FYEs 2022 to 2025, our processed bird's nest products are sold locally to retailers and end-customers in Malaysia.

7. BUSINESS OVERVIEW *(Cont'd)*

(iv) Operations of a health and personal care retail store

We currently own and operate a health and personal care retail store selling products such as health food products, health supplements, personal care products, test kits, face masks and wheelchairs. Our retail store is located in Mantin, Negeri Sembilan, and operates under the trade name of 'Kang Li'. Additionally, we have a website https://www.kangliofficial.com/ and storefronts on e-commerce marketplaces on Shopee and Lazada. Customers are able to conveniently browse and purchase our products through these online platforms.

Our processed bird's nest products are also sold through our retail store.

7.3.3 LOCATION OF OPERATIONS

Our Group's main office is located in Kajang, Selangor. We have operated from our processing facilities to process RCEBN in Kajang and Batu Caves since 2015 and 2018, respectively.

In addition, we have currently a retail store for our operations of health and personal care located in Mantin, Negeri Sembilan.

Details of our Group's locations of operations are as follows:

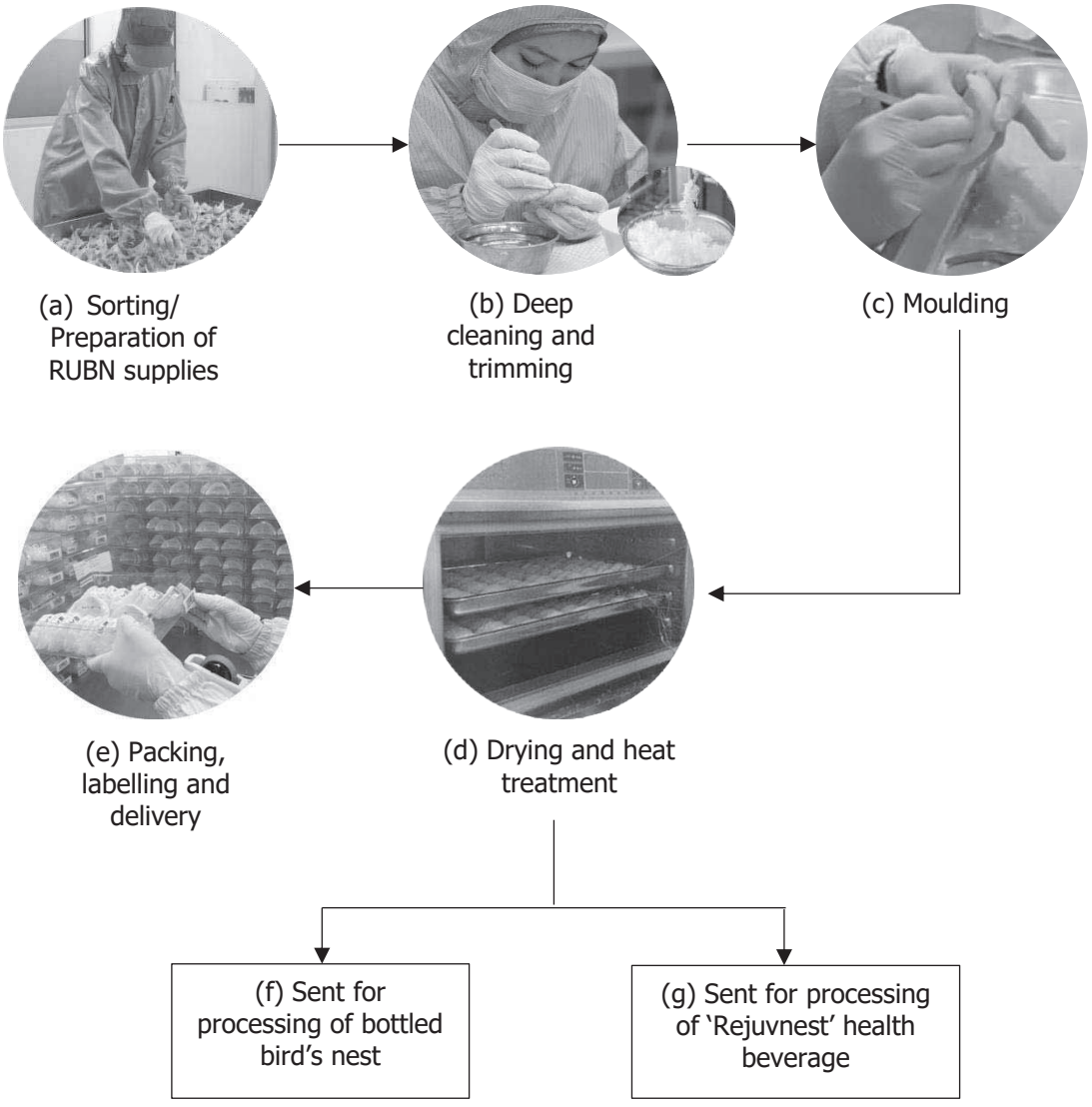
No.	Operational facilities	Main functions	Location of facilities
1.	Main office *(Rented)*	Main office, finance and administrative functions	PT 39461, Tingkat 1 Seksyen 7 Bandar Kajang 43000 Kajang Selangor
2.	Kajang Facility *(Rented)*	Processing of RCEBN	No. 2B-G, 2B-M, 2-First Floor, 2B-2 Jalan Semenyih 43000 Kajang Selangor
3.	Batu Caves Facility *(15, 15A, 15B & 15C are owned while 13C is rented)*	Processing of RCEBN	13C, 15, 15A, 15B & 15C Jalan PS 9/2 Prima Selayang 68100 Batu Caves Selangor
4.	Health and personal care retail store *(Rented)*	Health and personal care retail store	No. 12-G, Jalan Laman Suria 1 Taman Laman Suria 71700 Mantin Negeri Sembilan

7. BUSINESS OVERVIEW *(Cont'd)*

7.4 BUSINESS AND OPERATION PROCESS

Processing of RCEBN

The general process flow for our Group's processing of RCEBN is as follows:



(a) Sorting/Preparation of RUBN supplies

We source RUBN based on the availability of RUBN and our customers' preferred grades, types and quantity of RCEBN. We provide information to our customers on our suppliers' availability before negotiating on the selling price based on the specification of the grade, type and quantity of RCEBN required. Once the terms of the sales are agreed, we will proceed to procure the required RUBN supplies from our suppliers.

Upon the receipt of RUBN supplies, we conduct visual and odour inspection screening to ensure the colour is appropriate, the shape of RUBN is intact, free from pest infestation, fungus contamination and offensive odours, and does not contain hazardous foreign materials such as glass.

7. BUSINESS OVERVIEW *(Cont'd)*

The RUBN supplies are then weighed and sorted according to size and density.

A sample of each batch of RUBN supplies are sent to accredited independent laboratories for aluminium testing. We only accept RUBN supplies if the level of aluminium detected is below permissible regulatory limits. We will reject the RUBN supplies if aluminium detected is higher than the permissible regulatory limits, and will request for replacement.

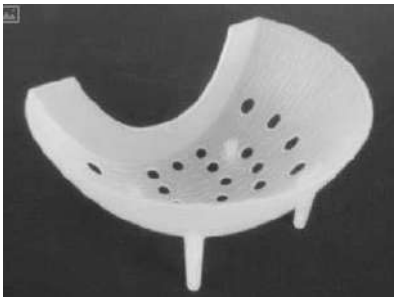
(b) Deep cleaning and trimming

After sorting, the RUBN supplies are placed into a container to be immersed in filtered water for 1 to 5 minutes to soften into an elastic resilient condition. During the process, most of the dust or surface impurities will float up, and the RUBN will absorb the water and expand slightly in size. This makes it easier for our processing personnel to remove feathers and impurities with the use of a bird's nest picking device (which comprises a power box and vacuum tweezer) and other appropriate cleaning tools. The process of picking under a semi-dry condition is to maintain the nutrients as well as the original shape of the bird's nest. The cleaning process is carried out under hygienic conditions to ensure the safety of the RUBN.

Upon completion of the deep cleaning process, our internal QC personnel will conduct a visual inspection to ensure that the RCEBN have been cleaned. The RCEBN are then trimmed into the desired shape.

(c) Moulding

The moulding process requires plastic moulds in the shape of half cups. By placing the moist RCEBN into the mould, the RCEBN is moulded and pruned into its original shape upon drying. The RCEBN will be dried for up to 8 hours in our designated air-conditioned ventilation room, which is equipped with a dehumidifier.



Plastic mould

(d) Drying and heat treatment

The drying process does not require any heat and mainly applies convective drying with constant air temperature and airflow. The RCEBN is placed in our designated air-conditioned ventilation room and dried with the assistance of fans and a dehumidifier until the RCEBN dry completely to its original shape. It is also important for the temperature of the room to range from 16°C to 25°C to maintain product quality. A moisture meter is also used to measure and ensure that the moisture content present in the RCEBN is less than 15.0%. If the moisture level is above 15.0%, the RCEBN will undergo further drying until the moisture level is 15.0% or lower. Low moisture levels in RCEBN minimise fungal growth.

7. BUSINESS OVERVIEW *(Cont'd)*

In the final process, the RCEBN will undergo heat treatment for sterilisation purposes. Heat treatment involves drying the RCEBN in a steamer and applied such that the target core temperature reaches 70˚C or higher, and retained for at least 3.6 seconds. The steaming process is a critical control point step to ensure food safety by eliminating pathogenic Newcastle and Avian influenza viruses as well as other microbial pathogens such as E.coli and Salmonella.

(e) Packing, labelling and delivery

After heat treatment, the RCEBN are weighed before being individually shrink-wrapped and packed into desired packaging specifications. Packing is performed in the air-conditioned room to inhibit microbial growth.

The individual RCEBN is then weighed using a backend system (comprising a weighing scale and barcode scanner), and the information on the weight is then captured and uploaded onto the QR code. For traceability consideration, the QR code and traceability serial number denoting amongst others, swiftlet house identification number, batch number, processing establishment name, importer name, production date and information on the weight is printed and pasted onto each packaged RCEBN using the backend system. A steriliser is used to sterilise the outer packaging of the RCEBN.

The packed RCEBN are then stored in our air-conditioned store room while awaiting delivery to our customers.

For export, before shipment, we will prepare the export documentations. In general, for export, we will need to apply for the Veterinary Health Certificate and Certificate of Origin from DVS and Export Permit from MAQIS. Further, sampling of each batch of RCEBN will be carried out randomly by the district health officer prior to the issuance of the Health Certificate by MOH and the Veterinary Health Certificate by DVS. The samples will be sent to accredited independent laboratories for nitrite testing. As the Health Certificate and Veterinary Health Certificate are issued for each batch of RCEBN to which it relates to, it is subjected to the sampling result.

If the samples pass the tests, the individually packaged RCEBN is then packed into corrugated carton boxes for secondary packing. Concurrently, the Health Certificate and Veterinary Health Certificate will then be issued to us. For export to China, additional supporting documents are required i.e. Certificate of Freedom of State from Disease from DVS and the ASEAN-China Free Trade Area Preferential Tariff Certificate of Origin from MITI. Our QC personnel will subsequently inspect the final packaging to ensure that they are appropriately labelled and that the correct number and type of RCEBN are packed for the customer.

For RCEBN that is imported through Ye Lin, Ye Lin engages an agent to manage customs clearance and inspection, warehousing of the RCEBN located in the free trade zone on arrival in China, splitting of packages based on instructions provided by us as well as manage delivery of RCEBN to customers. We have a working relationship with the agent since June 2019. Based on the customers' information provided by us, the agent will then liaise with our customers to arrange for delivery of the RCEBN from the warehouse to the customer's designated locations. The cost of the delivery is borne by our customers.

7. BUSINESS OVERVIEW *(Cont'd)*

(f) Sent for bottled bird's nest production

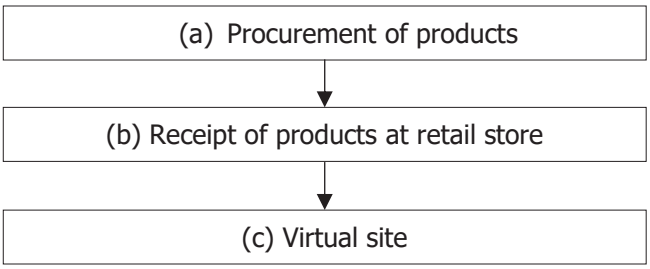
For bottled bird's nest, we will send loose pieces of RCEBN to contract manufacturers to be further processed into bottled bird's nest. The contract manufacturer will cook the RCEBN and subsequently bottle and label the cooked bird's nest according to our specifications. The bottled bird's nest will then be re-delivered to us.

(g) Sent for processing of health beverage

We also send loose pieces of RCEBN to our contract manufacturer to formulate the bird's nest peptide and to manufacture into the final product, i.e. 'Rejuvnest' health beverage. The health beverage product will then be re-delivered to us.

Operations of a health and personal care retail store

The process flow for the operations of our Group's health and personal care retail store is as follows:



(a) Procurement of products

Our retail store team will source products from local manufacturers or suppliers. Some of the products sourced are required to be registered with MOH, if applicable. We only maintain a certain stock level for each product type at our retail store. Whenever a product is low in stock at our retail store, our retail store team will place an order to replenish the stock.

(b) Receipt of products at retail store

Upon receipt of products at our retail store, our retail store team will check the quantity and specifications of the products are as per the purchase order, and that there is no physical damage to the products. Thereafter, the products will be placed on shelves, or stored in the retail store's storeroom.

(c) Virtual site

If we receive any orders via WhatsApp or e-commerce marketplaces, our e-commerce personnel will pick up the products from our retail store and pack the products for onward delivery to our customers. Delivery is outsourced to a third-party delivery company and is typically delivered between 3 and 7 days after confirmation of order.

7. BUSINESS OVERVIEW *(Cont'd)*

7.5 TECHNOLOGY USED OR TO BE USED

Our Group uses a number of licensed computer software to facilitate our business processes.

The table below lists the major types of computer software used:

Software	Description
Backend system	We use a backend system to weigh the RCEBN, capture relevant data to be uploaded onto the QR code as well as printing of label.
Enterprise resource planning system	We use an enterprise resource planning system to support our health and personal care segment. This system allows for point-of-sale activities and inventory management.
Accounting software	We use an accounting software to carry out accounting activities, such as recording accounting entries, generating invoices, preparing financial statements as well as budgeting, forecasting and analysing financial data.

7.6 PRINCIPAL MARKETS AND SEGMENTS

Our largest business segment is our bird's nest segment, contributing 96.0%, 98.8%, 98.5% and 99.0% of our Group's total revenue for the FYEs 2022 to 2025. Within this business segment, processing and sale of RCEBN is our largest revenue contributor, contributing 83.7%, 73.1%, 64.9% and 62.9% to our Group's total revenue.

Our Group's principal market is China, which accounted for between 62.8% and 91.9% of our Group's total revenue for the FYEs 2022 to 2025.

The breakdown of our sales revenue by principal activities and geographical location are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bird's nest	**108,474**	**96.0**	**118,888**	**98.8**	**143,919**	**98.5**	**156,791**	**99.0**
- Processing and sale of RCEBN	94,569	83.7	87,960	73.1	94,846	64.9	99,656	62.9
- Trading of EBN	13,573	12.0	30,089	25.0	48,810	33.4	55,978	35.3
- Sale of processed bird's nest products	-	-	834	0.7	263	0.2	1,157	0.8
- Cleaning services[1]	332	0.3	5	*	-	-	-	-
Health and personal care	**4,498**	**4.0**	**1,437**	**1.2**	**2,228**	**1.5**	**1,416**	**0.9**
Rental[2]	**-**	**-**	**-**	**-**	**60**	*****	**175**	**0.1**
	112,972	**100.0**	**120,325**	**100.0**	**146,207**	**100.0**	**158,382**	**100.0**

7. BUSINESS OVERVIEW *(Cont'd)*

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	7,702	6.8	22,909	19.0	45,940	31.4	57,561	36.4
China	103,777	91.9	96,696	80.4	98,433	67.4	99,416	62.8
Australia	925	0.8	704	0.6	914	0.6	216	0.1
Vietnam	-	-	-	-	900	0.6	1,000	0.6
Others[3]	568	0.5	16	*	20	*	189	0.1
	112,972	**100.0**	**120,325**	**100.0**	**146,207**	**100.0**	**158,382**	**100.0**

Notes:

* Represents less than 0.1%.

(1) Relates to labour fees charged to customers for cleaning of RUBN into RCEBN. Our cleaning services was an ancillary service provided to customers. We have discontinued such services to concentrate our labour resources for our processing of RCEBN.

(2) Relates to rental services from the letting out of our investment property managed by a property management company.

(3) Others refer to Taiwan, Hong Kong, Japan, New Zealand and USA. For reporting purposes, Taiwan and Hong Kong are presented separately from China.

7.7 SALES AND MARKETING

Our local and international business development activities related to the processing and sale of RCEBN, sale of processed bird's nest products, and trading of EBN are spearheaded by our Managing Director, Tan Teh Jie. Our Chief Operating Officer, Lok Chyi Yeu supports Tan Teh Jie in overseeing sales activities, particularly dealings and communications with distributors and importers in China.

Meanwhile, the sales and marketing activities for our health and personal care segment are executed by our retail personnel.

Our sales and marketing strategies are as follows:

Sales channels

(i) Leveraging on existing networks

Our Managing Director who has been in the EBN industry since 2013 has developed rapport and business networks with partners in both China and Malaysia, allowing the growth of our network by being introduced to other potential customers.

(ii) Referrals

We are continuously looking for new business opportunities and our existing customers routinely refer new business contacts to us as a result of our quality products and working relationships. The referrals are a testament to the confidence our customers have in us and our products.

7. BUSINESS OVERVIEW *(Cont'd)*

Marketing strategies

(i) Online marketing

The current widespread use of the Internet as a source of information allows us to cross geographical borders, and facilitates access from any part of the world, thereby expanding our market reach and exposure. In addition to our corporate website at https://enest.com.my/ which provides immediate searchable information on our Group and our products, existing and potential customers in China are able to find further information on us and our products on WeChat, increasing our visibility and exposure in the China market.

(ii) Participation in trade fairs and delegation visit

We participate in local and international trade fairs to showcase our RCEBN. We participated in amongst others, the 18th World Chinese Entrepreneurs Convention in Macao in November 2025, 22nd China-ASEAN Expo (CAEXPO) 2025 in Nanning, China in September 2025, 5th China International Consumer Products Expo in Hainan, China in April 2025, 17th World Chinese Entrepreneurs Convention in Kuala Lumpur in September 2024, and 21st CAEXPO 2024 in Nanning, China in September 2024. These trade fairs offer an exchange platform for us to share opportunities, allowing us to showcase and promote our RCEBN, thereby generating interest to attract prospective customers and business associates. In addition, these trade fairs also keep us abreast with market trends and preferences.

(iii) Visitations to our premises

We work with importers and distributors in China to bring prospective customers from China to visit our processing facilities in Malaysia, allowing prospective customers to view our processes and purchase our products.

7.8 SEASONALITY

Our sales and to an extent, our operations are subject to the demand for EBN. We generally experience higher demand during festive periods, in particular Chinese New Year and Mid-Autumn Festival.

Nevertheless, RUBN supplies are not impacted by normal seasonal weather conditions such as monsoon seasons or hotter/warmer weather periods as we have a wide network of reliable suppliers throughout Malaysia and are able to source from locations not affected by the monsoon seasons or hotter/warmer weather periods. As such, our operations and sales are not subject to changes in normal weather patterns.

Notwithstanding, the rainy season is the most suitable time for swiftlets to breed, as rain stimulates plant growth and activity, which in turn provides a suitable environment for insects to proliferate which is the primary food source for swiftlets. The abundance of food supply for swiftlets supports their energy needs for breeding.

7. BUSINESS OVERVIEW *(Cont'd)*

7.9 INTERRUPTIONS TO BUSINESS

Notwithstanding the temporary suspension of EBN export to China due to the Newcastle disease cases in Malaysia, our Group has not experienced any interruptions that had a significant effect on our operations during the past 12 months up till LPD.

Impact of Newcastle disease on the operations and financial performance of our Group

In response to reports of the Newcastle disease virus cases in chickens and ducks in Malaysia, DVS had on 25 December 2024 ordered that exports of EBN products to China be temporarily suspended. On 14 January 2025, GACC declared that imports of EBN products from Malaysia with production date commencing 14 January 2025 be resumed. Although the export suspension caused a temporary disruption to our logistics to China, the impact of the suspension was not material due to the brief suspension period. Our sales were intact and there were no cancellations. We resumed export to China soon after.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.10 MAJOR CUSTOMERS

Our top 5 customers according to their revenue contribution for the FYE 2022 to FYE 2025 are as follows:

No.	Name	Country	Revenue		Main products sold	Approximate length of relationship[1]
			RM'000	%		Years
FYE 31 December 2025						
1.	PCH Group[2]	Malaysia	39,160	24.7	RUBN, bottled bird's nest and health and personal care products	6
2.	Yiwu Zhen Xin Import & Export Co Ltd (义乌市臻新进出口有限公司)	China	19,969	12.6	RCEBN	4
3.	Guangxi Yingchuan International Trade Co Ltd (广西盈川国际贸易有限公司)	China	12,969	8.2	RCEBN	3
4.	Tian Yan Natural Birdnest Sdn Bhd	Malaysia	7,298	4.6	RUBN and bottled bird's nest	3
5.	Puning Yixinde Health Food Company Limited (普宁市义信德保健食品有限公司)	China	7,156	4.5	RCEBN	3
			86,552	**54.6**		
FYE 31 December 2024						
1.	PCH Cleaning Sdn Bhd	Malaysia	18,741	12.8	RUBN and health and personal care products	5
2.	Yiwu Zhen Xin Import & Export Co Ltd (义乌市臻新进出口有限公司)	China	13,296	9.1	RCEBN	3
3.	Guangzhou Yancui Trading Co., Ltd (广州燕萃贸易有限公司)	China	10,423	7.1	RCEBN	1
4.	GM Synergy Sdn Bhd	Malaysia	7,976	5.5	RUBN and health and personal care products	2
5.	Puning Yixinde Health Food Company Limited (普宁市义信德保健食品有限公司)	China	6,616	4.5	RCEBN	2
			57,052	**39.0**		

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Name	Country	Revenue		Main products sold	Approximate length of relationship[(1)]
			RM'000	%		Years
FYE 31 December 2023						
1.	Guangxi Yingchuan International Trade Co Ltd (广西盈川国际贸易有限公司)	China	10,721	8.9	RCEBN	1
2.	GM Synergy Sdn Bhd	Malaysia	10,337	8.6	RUBN and health and personal care products	1
3.	Zhejiang Tian Zhan Import and Export Co Ltd (浙江天展进出口有限公司)	China	8,598	7.1	RCEBN	Less than 1
4.	Puning Yixinde Health Food Company Limited (普宁市义信德保健食品有限公司)	China	7,772	6.5	RCEBN	Less than 1
5.	Fujian Yantuteng Supply Chain Management Co Ltd (福建省燕图腾供应链管理有限公司)	China	6,642	5.5	RCEBN	2
			44,070	**36.6**		
FYE 31 December 2022						
1.	Guangdong Shengxinglong Pharmaceutical Co Ltd (广东盛兴隆药业有限公司)	China	9,823	8.7	RCEBN	3
2.	Guangdong Shineva Supply Chain Management Co Ltd (广东奢尼瓦供应链管理有限公司)	China	9,466	8.4	RCEBN	2
3.	Guangzhou Baoshengtang Health Food Co., Ltd (广东宝生堂养生食品有限公司)	China	9,397	8.3	RCEBN	1
4.	Fujian Yantuteng Supply Chain Management Co Ltd (福建省燕图腾供应链管理有限公司)	China	8,736	7.7	RCEBN	1
5.	Guangxi Qinbao International Trade Co Ltd (广西钦保国际贸易有限公司)	China	8,418	7.5	RCEBN	2
			45,840	**40.6**		

Notes:

(1) Length of relationship is based as at end of each financial year.

7. BUSINESS OVERVIEW *(Cont'd)*

(2) Comprises PCH Cleaning Sdn Bhd, Asia Business Corporation Sdn Bhd and/or Martell Swiftlets Sdn Bhd.

For FYE 2022 to FYE 2025, our Group's top 5 major customers collectively accounted for 40.6%, 36.6%, 39.0% and 54.6% of our Group's total revenue respectively. Although, PCH Cleaning Sdn Bhd accounted for more than 10.0% and 20.0% of our Group's total revenue for the FYE 2024 and FYE 2025, respectively and Yiwu Zhen Xin Import & Export Co Ltd accounted for more than 10.0% of our Group's total revenue for the FYE 2025, our Group is not dependent on any major customer as our Group's top 5 major customers generally vary from year-to-year depending on the purchase orders secured. Our Group continues to record increasing revenue which demonstrates our ability to continue securing new customers. Our Group has a diversified customer base comprising more than 130 customers as at 31 December 2025.

7.11 MAJOR SUPPLIERS

All our suppliers are based in Malaysia. Our Group's top 5 suppliers according to total purchases for the FYE 2022 to FYE 2025 are as follows:

No.	Name	Supplier type	Value of purchases		Main products sourced	Approximate length of relationship(1)
			RM'000	%		Years
FYE 31 December 2025						
1.	PCH Group(2)	Trader/agent	31,706	23.4	RUBN	6
2.	Yashima Group(3)	Trader/agent	19,190	14.2	RUBN	7
3.	Tian Yan Natural Birdnest Sdn Bhd(4)	Trader/agent	10,960	8.1	RUBN	3
4.	Ingenious Equipment Manufacturing Sdn Bhd	Trader/agent	10,661	7.9	RUBN	3
5.	Xiang Yan Ge Swiftlets Sdn Bhd	Trader/agent	7,733	5.7	RUBN	3
	Total purchases of our Group		**80,250**	**59.3**		
FYE 31 December 2024						
1.	Yashima Group(3)	Trader/agent	20,942	17.6	RUBN	6
2.	PCH Group(2)	Trader/agent	9,679	8.1	RUBN	5
3.	Xiang Yan Ge Swiftlets Sdn Bhd	Trader/agent	7,246	6.1	RUBN	2
4.	Yin Yan De Trading Sdn Bhd	Trader/agent	3,989	3.3	RUBN	5
5.	Chuen Sheng Wan Wu Enterprise	Trader/agent	3,335	2.8	RUBN	4
	Total purchases of our Group		**45,191**	**37.9**		

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Name	Supplier type	Value of purchases		Main products sourced	Approximate length of relationship[1]
			RM'000	%		Years
FYE 31 December 2023						
1.	Yashima Group[3]	Trader/agent	18,945	19.9	RUBN	5
2.	Yin Yan De Trading Sdn Bhd	Trader/agent	12,881	13.5	RUBN	4
3.	Ding Feng Swiftlet Sdn Bhd	Trader/agent	6,336	6.6	RUBN	4
4.	Xiang Yan Ge Swiftlets Enterprise	Trader/agent	5,574	5.8	RUBN	1
5.	Ingenious Equipment Manufacturing Sdn Bhd	Trader/agent	5,431	5.7	RUBN	Less than 1
	Total purchases of our Group		**49,167**	**51.5**		
FYE 31 December 2022						
1.	Yashima Group[3]	Trader/agent	16,083	16.9	RUBN and RCEBN	4
2.	Grand Golden Coast Group[5]	Trader/agent	8,043	8.4	RUBN	4
3.	Yin Yan De Trading Sdn Bhd	Trader/agent	6,518	6.8	RUBN and RCEBN	3
4.	My Asia Group[6]	Trader/agent	4,436	4.6	RUBN and RCEBN	2
5.	SL Wong Trading[7]	Trader/agent	2,744	2.9	RUBN and RCEBN	1
	Total purchases of our Group		**37,824**	**39.6**		

Notes:

(1) Length of relationship is based as at end of each financial year.

(2) Comprises PCH Cleaning Sdn Bhd, Asia Business Corporation Sdn Bhd and/or Martell Swiftlets Sdn Bhd. For the FYE 2022 to FYE 2025, PCH Cleaning Sdn Bhd is both our Group's supplier and customer. Our Group trades RUBN with PCH Cleaning Sdn Bhd - we purchase RUBN from PCH Cleaning Sdn Bhd as it is able to source RUBN in the shape, size, colour and/or cleanliness that we require and at suitable prices; we sell RUBN to PCH Cleaning Sdn Bhd as we are able to source RUBN in the shape, size, colour and/or cleanliness that it requires and at suitable selling prices. In addition, PCH Cleaning Sdn Bhd also purchases health and personal care products from our Group.

(3) Comprises Yashima Birdnest Sdn Bhd, Yashima Trading and/or Ruby Hew Enterprise.

7. BUSINESS OVERVIEW *(Cont'd)*

(4) For the FYE 2025, Tian Yan Natural Birdnest Sdn Bhd is both our Group's supplier and customer. Our Group trades RUBN with Tian Yan Natural Birdnest Sdn Bhd - we purchase RUBN from Tian Yan Natural Birdnest Sdn Bhd as it is able to source RUBN in the shape, size, colour and/or cleanliness that we require and at suitable prices; we sell RUBN to Tian Yan Natural Birdnest Sdn Bhd as we are able to source RUBN in the shape, size, colour and/or cleanliness that it requires and at suitable selling prices. In addition, Tian Yan Natural Birdnest Sdn Bhd also purchases bottled bird's nest from our Group.

(5) Comprises Grand Golden Coast (M) Sdn Bhd and Grand Golden Coast Marketing (M) Sdn Bhd.

(6) Comprises My Asia Birdnest (M) Sdn Bhd and My Asia Enterprise.

(7) SL Wong Trading ceased operations on 23 September 2024.

For FYE 2022, FYE 2023, FYE 2024 and FYE 2025, our Group's major suppliers collectively accounted for 39.6%, 51.5%, 37.9% and 59.3% of our purchases respectively. Our suppliers are selected based on several criteria such as the quality and reliability. Several of our Group's major suppliers contributed more than 10.0% to our total purchases in the FYE 2022, FYE 2023, FYE 2024 and FYE 2025. In particular, PCH Group contributed 8.1% and 23.4% to our total purchases in the FYE 2024 and FYE 2025 while the Yashima Group contributed 16.9%, 19.9%, 17.6% and 14.2% to our total purchases in the FYE 2022, FYE 2023, FYE 2024 and FYE 2025. Despite this, we are not dependent on PCH Group, Yashima Group or any single major supplier as RUBN can be easily sourced from alternative suppliers. During the FYE 2022 to FYE 2025, the percentage of our total purchases from the PCH Group, Yashima Group and Yin Yan De Trading Sdn Bhd were more than 10.0% as we chose to work with them out of convenience as well as time and administrative efficiency purposes. Based on information obtained from DVS in 2025, there are approximately 15,600 swiftlet houses and caves registered with DVS.

7.12 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

The table below sets out the major types of supplies purchased for our business for the FYE 2022 to FYE 2025:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
Supplies	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
RUBN	20,482	21.5	85,678	89.8	112,119	94.1	134,502	99.3
RCEBN	71,357	74.8	8,884	9.3	5,166	4.3	-	-
Packaging materials	649	0.6	567	0.6	509	0.4	333	0.3
Health and personal care products purchases	2,966	3.1	284	0.3	1,357	1.2	587	0.4
Total purchases	**95,454**	**100.0**	**95,413**	**100.0**	**119,151**	**100.0**	**135,422**	**100.0**

Based on the above table, the shift from sourcing a majority of our supplies from RCEBN in the FYE 2022 to RUBN in the FYE 2023 onwards was to comply with GACC's requirement for export to China. Our Group had sourced RCEBN processed by processing establishments which were not registered with GACC and exported the same to China after additional processing for packaging by our Group. Upon receiving clarification from DVS around August 2022 that sourcing RCEBN from unregistered processing establishments was not in compliance

7. BUSINESS OVERVIEW *(Cont'd)*

with GACC's requirement for export to China, we stopped purchasing RCEBN from such establishments. We subsequently increased the purchases of RUBN to process into RCEBN.

Notwithstanding, our Group, through Ye Lin, do also trade RCEBN by purchasing RCEBN from registered processing companies in Malaysia to resell to our customers in China during FYEs 2022 to 2024. We generally only trade RCEBN to support and maintain relationship with our customers in China. There was no trading of RCEBN to our customers in China during FYE 2025.

We have not encountered any major disruptions in the purchase of supplies and our supplies are generally readily available and can be easily sourced from local suppliers. We have also not faced shortages for our supplies during the FYE 2022 to FYE 2025 which has materially affected our financial performance. However, the prices of RUBN and RCEBN are subject to fluctuations as a result of supply and demand, global including China economic conditions, relevant government regulations and policies, and outbreaks of diseases or any negative publicity regarding EBN.

7.13 QUALITY CONTROL AND ASSURANCE MANAGEMENT

We place importance on the quality of our processes to ensure that our products meet local and international standards. We presently comply with the following local standards:

Standard/ Certificate	Certification body	Company	Month and year first awarded	Month and year of expiry	Scope/ Description of certification
GMP	MOH	Dynamic Transforms	January 2016	October 2027	The premises have fulfilled the terms and conditions for the implementation of GMP
		Ming Feng	March 2019	August 2026	
HACCP	MOH	Dynamic Transforms	February 2015	October 2027	Dynamic Transforms and Ming Feng have fulfilled the terms and conditions for implementation of the HACCP system for RCEBN
		Ming Feng	June 2016	August 2026	
Halal Certificate	JAKIM	Dynamic Transforms	July 2014	December 2027	RCEBN products by Dynamic Transforms and Ming Feng have complied with Islamic Law and Malaysian Halal Standard and approved by
		Ming Feng	September 2016	November 2026	

7. BUSINESS OVERVIEW *(Cont'd)*

Standard/ Certificate	Certification body	Company	Month and year first awarded	Month and year of expiry	Scope/ Description of certification
					Halal Certification Panel of Islamic Religious Department of Selangor
MeSTI Certificate	MOH	Dynamic Transforms	November 2012	October 2027	The premises have fulfilled the terms and conditions for certification of MeSTI
		Ming Feng	August 2016	August 2026	
VHM	DVS	Ming Feng	2015	December 2027	Dynamic Transforms and Ming Feng have fulfilled the requirements of DVS and the implementation of quality assurance program and HACCP system
		Dynamic Transforms	2013	December 2027	

Our QC activities for each of our processing facility are led by our Production Manager or Assistant Production Manager and QC procedures are carried out throughout the processing of RCEBN, as described below:

QC processes	Parameter	Description
RUBN supply inspection	• Odour • Free from pest infestation • No hazardous foreign material • Colour • Quantity	• Perform visual screening inspections on RUBN supplies to ensure the supplies are consistent with the specified parameters
In-process QC for deep cleaning and trimming	• Cleanliness	• Perform visual inspections on RCEBN to ensure cleanliness
In-process QC for moulding	• Shape	• Perform visual inspection on RCEBN to ensure that the shape is appropriate
In-process QC for drying and heat treatment	• Moisture level	• A moisture meter is used to ensure moisture content is less than 15.0%

7. BUSINESS OVERVIEW *(Cont'd)*

QC processes	Parameter	Description

Final product inspection	• Quantity and type
	• Labelling
		• Perform inspections on all packed RCEBN to ensure the products:
		  • are appropriately labelled; and
		  • packaged according to customer specifications in terms of quantity and type

For exports, random samples of each batch of RCEBN will have to be sent for nitrite testing, as elaborated in Section 7.4(f), at independent laboratories which are accredited under the Laboratory Accreditation Scheme of Malaysia by the Department of Standards Malaysia, Malaysia's national standards body and national accreditation body, under MITI. The batch of RCEBN from where the samples are obtained can only be exported if the samples pass the tests.

We also undertake weekly cleaning of the fans used in our drying room to remove dust, as the presence of dust can contaminate and affect the quality of RCEBN. In addition, our steamer, which is an equipment used during heat treatment for RCEBN, must be verified by an official verification party annually.

We undertake the following measures at our processing facilities to ensure RCEBN safety and quality:

(i) Water filtration

We filter the water to ensure that there are no contaminants and microorganisms present in the water which we use to clean the RUBN supplies during our production process and can contaminate the RCEBN.

In accordance with the Food Act 1983 and Food Regulations 1985, we send samples of water used to an accredited independent laboratory biannually, where the laboratory will conduct a microbiological and contaminant testing to ensure contaminants found in the water at our processing facilities do not exceed safety levels.

(ii) Hygiene procedures for production personnel

Our production team has to adhere to strict hygiene procedures (which are in accordance with HACCP guidelines) prior to entry into the processing facilities. This reduces the risk or exposure to contaminants or conditions that are harmful to our products. They are required to equip themselves with disposable hair nets, masks, gloves and foot covers, and their gloved hands must be sanitised. They are also not allowed to wear any accessories, cosmetics, perfumes, after-shaves and ointments. Our production personnel are required to be vaccinated from typhoid upon joining our Group and once every 3 years.

Meanwhile for the trading of RUBN; sale of processed bird's nest products; and operations of a health and personal care retail store, we will carry out checks on the quantity and specifications of the products to ensure that they are as per the purchase order, and there are no physical damage to the products.

7. BUSINESS OVERVIEW *(Cont'd)*

7.14 CAPACITY AND UTILISATION RATE

The annual operating capacity of our processing facilities in our Kajang Facility and Batu Caves Facility is calculated based on the following:

(i) 1 shift of 8 hours with an additional 1 hour overtime per working day;

(ii) estimated maximum processing quantity of 0.38 kg per person per shift, after taking into consideration that bird's nest picking devices were used since the second half of 2024;

(iii) 196 production personnel as at FYE 2025 undertaking deep cleaning and trimming. These personnel are also involved in the moulding, drying and heat treatment, packing and labelling processes. Other production personnel were not included in the computation of the capacity as they are mainly supervisors or personnel that are involved in tasks such as quality inspections, sorting and preparation of RUBN supplies and inventory management as well as personnel involved in procurement of RUBN supplies, quality assurance procedures and managing exports of RCEBN; and

(iv) 288 working days per year.

Our operating capacity and utilisation rate for our Kajang Facility and Batu Caves Facility for FYE 2025 based on 1.125 shifts (or equivalent to 1 shift with an additional 1 hour overtime) is depicted below:

	Kajang Facility	**Batu Caves Facility**
Estimated maximum capacity (kg)	9,850	14,282
Actual output (kg)	9,511	8,915
Utilisation rate (%)	96.6	62.4

For the FYE 2025, we exported 18,054 kg of RCEBN to China, as compared to our recorded export capacity with GACC of 18,426 kg. We have submitted an application to increase our recorded export capacity but have yet to obtain the approval for our increase in export quota as at LPD. Barring any unforeseen circumstances, we expect to receive the approval for the application by end of 2026. If we do not obtain the approval by the end of FYE 2026, this could potentially restrict our capacity to increase our export volume of RCEBN to China, and which may result in loss of potential business opportunities and revenue growth. Although we carefully plan the increase of our export quota, we may face delays in obtaining the higher quotas from GACC due to factors beyond our control which may impact our future plans to grow the exports of RCEBN to China as stated in Section 7.17.2 and restrict our Group's financial performance. Further details of this risk is elaborated in Section 9.1.2.

7.15 RESEARCH AND DEVELOPMENT

We do not have a dedicated research and development department and do not engage in any research and development activity to enhance RCEBN. Nevertheless, from time to time, we may enhance our processes to improve operational efficiency by keeping up to date with latest technological trends. For example, we have introduced the use of a bird's nest picking device (which comprises a power box and vacuum tweezer) to ease and increase the speed of our cleaning processes.

We also work with contract manufacturers to develop processed bird's nest products such as 'Rejuvnest' health beverage. In the case of 'Rejuvnest' health beverage, the research and development of the ingredients used in the product, namely bird's nest peptide, was mainly

carried out by the contract manufacturer based on our requirements, the cost of which was charged as product cost. We did not incur any research and development expenses for the past 4 financial years under review. Due to the modest demand for the 'Rejuvnest' health beverage, we have not pursued further research and development efforts to develop new products containing bird's nest.

7.16 COMPETITIVE STRENGTHS

7.16.1 We are committed to providing our customers with quality products

We place strong emphasis on QC and quality assurance procedures and remain committed to using only quality RUBN supplies and providing consumers with quality natural EBN products. To this end, we have established stringent QC measures covering RUBN supplies procurement, supply chain traceability and quality assurance scheme, to ensure the purity, natural origin and quality of our EBN products, which forms the foundation and safeguards of our success.

Our processing facilities have been assessed and accredited by MOH to comply with HACCP and GMP, demonstrating our commitment to food safety and quality systems under internationally recognised HACCP and GMP programmes and we have also obtained the VHM certification from DVS, signifying the compliance of our processing facilities with the minimum standard of food hygiene and sanitation requirements.

We have established a supply chain traceability program to ensure that we only source RUBN from suppliers who have or source from swiftlet houses that are registered with a unique identification number by DVS. This ensures the genuineness of the RUBN supplies as well as allowing timely recalls in case of non-conformity. Moreover, our supply chain traceability program extends beyond the RUBN supplies to cover every stage of the supply chain and enables transparency and accountability from swiftlet premises, harvesting centre, primary processing establishment to exporter.

In addition, our production team has to adhere to strict hygiene procedures (in accordance with HACCP guidelines) prior to entry into our processing facilities. As personal hygiene is the key to mitigating contamination during processing, our production team is required to equip themselves with disposable hair nets, masks, gloves and foot covers, and to sanitise their gloved hands prior to entry. Our processing areas are also cleaned at the end of each workday with the working table wiped and cleaning utensils washed with alcohol-based cleaning liquid after every use. Additionally, our processing areas are serviced by professional pest control on a monthly basis.

Further details on the QC and quality assurance practices that we adopt are set out in Section 7.13.

7.16.2 We have a wide network of suppliers

Since our commencement of business, we have been working with numerous suppliers from whom we source our RUBN supplies. Our supplier network comprises swiftlet farmers and traders/agents located throughout Malaysia. As at LPD, our suppliers source RUBN supplies from approximately 940 registered swiftlet houses, representing approximately 6.0% of the total number of registered swiftlet houses in Malaysia. We have built good working relationships with our suppliers, which has allowed us to source and place orders easily. At the same time, we are continuously sourcing additional suppliers to strengthen our supplier network. Our access to a wide network of suppliers provides us with a consistent supply of quality RUBN to meet the demands from our customers.

7. BUSINESS OVERVIEW *(Cont'd)*

7.16.3 We have a positive industry reputation in the China market

Although our RCEBN is sold unbranded in the China market, Ming Feng and Dynamic Transforms are well-known for providing Malaysia RCEBN among importers and distributors of RCEBN in China. Based on the 2025 Bird's Nest Traceability Report dated March 2026 from CAIQ, Ming Feng and Dynamic Transforms are among the top 10 Malaysian companies exporting RCEBN by volume to China.

7.16.4 We are well-positioned to capitalise on the growth in the international EBN industry

According to the industry overview as set out in Section 8, Malaysia EBN export volume grew at a CAGR of 4.7% from 282.9 tonnes in 2019 to 373.6 tonnes in 2025 with a value of RM811.4 million in 2025. This indicates exports of EBN remained strong over the period, despite the COVID-19 pandemic in 2020 and 2021. Notwithstanding, in 2024 and 2025, Malaysia EBN export volume decreased primarily due to rising competition from other major producers such as Indonesia and the temporary suspension of the export of EBN products to China between end December 2024 and mid January 2025 as a result of the Newcastle disease outbreak.

With an enormous population and growing economy, China continues to be a major export market for Malaysia EBN, and Malaysia exported 94.6% of its EBN export value to China (including Taiwan, Macao and Hong Kong) in 2025. This is due to the Chinese continuing their lifestyle of consuming health and wellbeing foods such as EBN and the rising urbanisation rate and per capita disposable income of its population.

The demand for EBN is envisaged to grow positively moving forward. PROVIDENCE forecasts the EBN export volume in Malaysia to grow at a CAGR of 3.9% to reach 419.3 tonnes with a value of approximately RM1.0 billion in 2028. The positive growth of the EBN industry is owing to factors such as:

- rising disposable income and affluence domestically and in key export markets such as China, leading to the emergence of a more affluent consumer base with a greater capacity and willingness to spend on health and wellness products such as EBN;
- increasing awareness of the health benefits of consuming EBN amongst consumers; and
- evolvement to include a greater variety of downstream bird's nest products.

The growing demand of EBN, especially from China presents growth opportunities for our Group. Since 2018, we have been able to attract customers in China for our processing and sale of RCEBN, and have expanded our network of customers through various marketing activities, including referrals and participation in trade fairs, exhibitions and conferences.

7.16.5 We have an experienced and hands-on management team

Our Group is led by a management team that has accumulated years of industry experience, key expertise and in-depth knowledge of the business operations and who has been essential in driving the growth of our business. Tan Teh Jie, our Managing Director has been engaged in the EBN industry since 2013. His industry experience, drive and passion for the business has been instrumental in steering overall strategic direction and business development of our Group. His experience and knowledge have guided our Group in implementing various business strategies in growing our Group's reputation in the EBN industry.

He is supported by our key senior management team, Tan Teh Sheng, Lok Chyi Yeu, and Christopher Tan Yew Leong, who have brought in a wealth of resources and experience to our Group and have contributed significantly to our growth.

7. BUSINESS OVERVIEW *(Cont'd)*

Name	Designation	Years of relevant working experience
Tan Teh Sheng	Executive Director	13
Christopher Tan Yew Leong	Chief Financial Officer	14
Lok Chyi Yeu	Chief Operating Officer	21

Our management team has in-depth knowledge and capabilities as a result of their years of experience in their respective fields. Further, they take an active, hands-on role in spearheading their respective departments to support the growth of our Group. Their hands-on involvement in our Group demonstrates their strong commitment to continuously nurture our employees and our growth with the aim to foster an environment that encourages our employees to learn and grow along our Group, building a strong and dedicated team.

7.17 BUSINESS STRATEGIES AND FUTURE PLANS

We intend to pursue the following strategies and future plans to grow our business:

7.17.1 We intend to manufacture bottled bird's nest in-house and grow our sales from bottled beverages

Currently, our Group outsources the bottling of bird's nest to contract manufacturers to cook the RCEBN (which has been processed by our Group) and to bottle and label according to our specifications. These bottled bird's nest are sold under our 'Enest' brand.

Moving forward, we intend to set up a new facility to manufacture bottled bird's nest and other herbal beverages. In this respect, we intend to relocate our current Kajang Facility and main office to a new premises, consolidating our RCEBN processing in our Kajang Facility with our future bottling operations. As at LPD, we have signed booking forms to acquire 2 units of adjoining 3-storey semi-detached factories at an industrial park in Kajang. The total acquisition cost for the 2 units of factories is approximately RM12.00 million, and this will be funded via a combination of internally generated funds and bank borrowings. The said factories will have a combined floor area of approximately 19,000 sq ft and the production for the bottling of bird's nest will take up approximately 5,400 sq ft.

We also intend to purchase and install a production line for the bottling of bird's nest and other herbal beverages. The production line will comprise bottling equipment (such as air compressors, water purification tanks, cooling tower, sterilisation pots and carts, bottle washing machine, vacuum capping machine, blending tank and a filling production line), labelling equipment and cookware, which is expected to have an annual maximum production capacity of approximately 300,000 bottles. The cost of purchasing, installing and integrating the production line as well as to purchase bottles, bottle caps, labelling stickers and packaging boxes for the packaging of these bottled bird's nest is expected to amount to RM3.09 million, which will be funded from internally generated funds.

Up to 8 production personnel are expected to be recruited (which is estimated to be in Q2 2029) to undertake the bottling of bird's nest and other herbal beverages. We estimate that the cost of these new employees will amount to approximately RM0.28 million per annum, to be funded via internally generated funds.

7. BUSINESS OVERVIEW *(Cont'd)*

The estimated timeline for setting up the new facility until commencement of operations is as follows:

Estimated timeline	Milestones
• Q4 2026	• Execution of sale and purchase agreements for the premises
• Q3 2027	• Expected completion of construction of the factories • Commencement of renovation works
• Q1 2028	• Completion of renovation works • Procurement of bottling production line
• Q2 2028	• Installation of bottling production line • Submission of applications for MeSTI, GMP, HACCP, VHM and halal certifications
• Q2 2029	• Recruitment of new production personnel • Receipt of MeSTI, GMP, HACCP, VHM and halal certifications • Commencement of operations

By bottling bird's nest in-house, we will have better control over the quality of our own brand of bottled bird's nest and will have the flexibility to experiment with different formulations and test the new ready-to-eat bottled bird's nest products to adapt to changes in the market.

We target to produce approximately 100,000 bottles per annum. We aim to achieve this through:

(i) Increasing our distribution footprint

Currently, our distribution footprint for our bottled bird's nest is limited to our health and personal care retail store and on e-commerce marketplaces such as Shopee and Lazada. The expansion of our distribution footprint is vital to the growth of our bottled bird's nest performance. We intend to increase our marketing efforts in the domestic market through various strategies to enhance awareness and visibility of our 'Enest' bottled bird's nest:

(a) Sales via established pharmacy chains and retail chains

We intend to expand our presence and market coverage in the domestic market by leveraging on the retail outlet network of established pharmacy chains to sell our bottled bird's nest. As at LPD, we have entered into an agreement with a pharmacy chain to place our products in 10 of their outlets located around Klang Valley. Moving forward, we will continue to identify other suitable retail chains to further broaden the distribution footprint of our bottled bird's nest products across Malaysia.

(b) Collaboration with social media influencers

We intend to collaborate with social media influencers to promote our products across various social media platforms, such as Facebook, Instagram, Tik Tok and REDnote. By collaborating with social media influencers, we aim to work with them to foster long-term affiliation and engagement campaigns and to build brand credibility of our bottled bird's nest with their followers, thereby increasing our reach to a larger and more relevant audience, gaining credibility and trust,

7. BUSINESS OVERVIEW *(Cont'd)*

which in turn strengthens our brand awareness. This can be also achieved through, amongst others, product endorsements in the form of product reviews and advertisements. We have set aside an initial budget of up to RM0.50 million to invest in digital marketing activities, which will be funded via internally generated funds.

(ii) Contract manufacturing of bottled bird's nest and other herbal beverages

The bottling of our bottled bird's nest are currently outsourced to contract manufacturers, and we intend to undertake the in-house bottling processes once our bottling production line is operational. To supplement our revenue especially in the initial years for our bottling bird's nest production, we are open to offering contract manufacturing services for bottled bird's nest and other herbal bottled beverages. This will enable us to reduce our upfront investment cost while leveraging on our bottling bird's nest infrastructure and maximise the return on investment in our bottling infrastructure.

In the meantime, we are growing our bottled bird's nest business. As at LPD, we have secured an order from a customer based in Japan to manufacture their bottled bird's nest under their brand, which order is to be fulfilled via outsourcing to contract manufacturers. We expect to fulfil the order within 1 month from the receipt of deposit from the said customer. Until our in-house bottling production line is operational, we will continue to pursue similar contract manufacturing opportunities.

(iii) Expansion of our 'Enest' brand of bottled product offerings coupled by development of premium packaging

Our Group's bottled bird's nest is currently available in 4 variations. Moving forward, our Group intends to expand our bottled bird's nest offerings to cater to a wider range of customers' price-point and preferences, while at the same time expanding our customer base. As such, our Group intends to expand our range of bottled products by introducing new bottled bird's nest variations and other bottled herbal beverages. Once our bottling production facility is operational, we will be able to commence the development of new range and variations of bottled products. We target to launch 2 new variations of bottled beverages on an annual basis.

As EBN has culturally been gifted during Chinese traditional holidays symbolising respect and appreciation, we intend to also develop a range of premium packaging for our bottled bird's nest, specifically tailored for seasonal gifting. This exclusive range will be launched and marketed during festive periods, such as Chinese New Year and the Mid-Autumn Festival. We intend to focus on targeting both corporate clients and individual consumers. This range of premium packaging for our bottled bird's nest will also be marketed through social media advertisements.

Notwithstanding our intention to set up a new facility to manufacture bottled bird's nest and other herbal beverages as mentioned above, we may explore opportunities to expand and grow our business domestically and internationally through strategic investments, joint ventures and/or mergers and acquisitions that align and complement with our principal activities. We are exploring the potential of venturing downstream into the manufacture and sales of processed bird's nest products in China through either joint ventures, strategic investments or acquisitions. As at LPD, we have not identified any such investment, joint venture or acquisition with any party.

7. BUSINESS OVERVIEW *(Cont'd)*

7.17.2 We intend to grow our exports of RCEBN to China

Our Group's processing and sale of RCEBN contributed 83.7%, 73.1%, 64.9% and 62.9% of our Group's total revenue for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively, where China accounted for 91.9%, 80.4%, 67.4% and 62.8% of our Group's total revenue during the FYEs 2022, 2023, 2024 and 2025.

We plan to continue growing our exports of RCEBN to China, in line with China's growing EBN imports as China is a key consumer market for EBN. According to the IMR Report, China's imports (excluding Taiwan, Macao, Hong Kong) of EBN from Malaysia have been growing at a CAGR of 21.2% from 183.2 tonnes in 2019 to 580.4 tonnes in 2025.

We intend to further grow our exports of RCEBN to China by broadening our customer base. Currently, our RCEBN are exported unbranded to distributors and/or retailers, importers and state-owned enterprises in China. Moving forward, we intend to target manufacturers based in China, particularly those involved in the processing of traditional Chinese medicine and wellness products. As at LPD, we have secured orders to sell RCEBN to 2 contract manufacturers of traditional Chinese medicine products in China.

For the FYE 2025, we exported 18,054 kg of RCEBN to China, which is almost equivalent to our recorded export capacity with GACC of 18,426 kg. Moving forward, our management will exercise careful planning to expand our processing volume in order to increase our recorded export capacity and to ensure it is sufficient to grow our exports of RCEBN to China.

7.17.3 We intend to expand into export of RUBN to China

Building on our capabilities to process and sell RCEBN to China, we have plans to expand upstream into selling RUBN to China. As at LPD, our Group currently does not export RUBN to China. We have been receiving inquiries for RUBN from our existing customers in China. We intend to capitalise on our sourcing expertise to expand into exporting of RUBN.

Currently, we have a 27%-owned associated company, Dynamic Bird Nest which was incorporated in 2019 as a joint venture to export RUBN to China through collaboration with other persons affiliated with the Malaysia Swiftlet Nest Industry and Exporters Association, who have the network and will assist in obtaining the necessary licences. The remaining shareholders of Dynamic Bird Nest are Myboce Marketing Sdn Bhd who owns 63% and Wan Mohd Hazrie who owns 10%. Myboce Marketing Sdn Bhd are held by Goh Teck Bin (60%) and Lau Yee Wu (40%).

As at LPD, Dynamic Bird Nest has yet to commence business as it is awaiting approval of its registration from GACC. Due to the delay in obtaining GACC's approval for the registration, we intend to set up another company in Malaysia, which will be wholly-owned by our Group, to export RUBN to China. We intend to submit an application to register with GACC to export RUBN through the new subsidiary in the first quarter of 2027 and we anticipate to receive approval by the first quarter of 2028. Notwithstanding, in the event Dynamic Bird Nest obtains approval from GACC for its approval, Dynamic Bird Nest will commence exporting RUBN to China. We intend to continue to export RUBN to China both via our wholly-owned subsidiary once it obtains approval from GACC and via our joint venture with Dynamic Bird Nest to enhance our Group's revenue and profitability in the long-term, as our Group will have access to additional export quota. Although our export quota is expected to be small upon commencement of the new subsidiary, sales generated from our wholly-owned subsidiary will generate revenue for our Group. Meanwhile, our Group's profit will benefit from the profits generated from Dynamic Bird Nest as it is an associate company of our Group.

We also intend to set up a sorting and storage facility for export of RUBN. To this end, we propose to utilise 1 unit of factory in NCT Smart Industrial Park, Kuala Langat, Selangor, that we acquired in 2023 which has a built-up area of approximately 7,035 sq ft for this purpose.

7. BUSINESS OVERVIEW *(Cont'd)*

The cost of the factory was RM3.17 million (nett of rebates) and is funded via bank borrowings. We expect the developer to complete the construction of the said premises by the third quarter of 2026.

Once the factory is fully constructed, we may need to undertake renovation works to set up our sorting and storage facility.

The estimated timeline for setting up the new facility is as follows:

Estimated timeline	**Milestones**
• Q3 2026	• Expected vacant possession of the factory • Commencement of renovation works
• Q4 2026	• Completion of renovation works • Submission of registration of new premises with GACC, application of export quota for RUBN and commencement of GACC audit
• Q1 2028	• Registration of new premises by GACC • Recruitment of personnel • Commencement of operations

We intend to hire up to 10 additional personnel to undertake the sorting and inventory management of the RUBN at the facility. We estimate that the cost of these additional 10 personnel will amount to approximately RM0.35 million per annum which will be funded via internally generated funds.

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8. IMR REPORT

PROVIDENCE STRATEGIC PARTNERS SDN BHD
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T: +603 7625 1769

Date: 26 May 2026

The Board of Directors
Enest Group Berhad
PT 39461, Tingkat 1
Seksyen 7
Bandar Kajang
43000 Kajang
Selangor

Dear Sirs,

Independent Market Research ("IMR") Report on the Edible Bird's Nest ("EBN") Industry in conjunction with the Transfer Listing of ENEST GROUP BERHAD from the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities") to the ACE Market of Bursa Securities

This IMR Report on the EBN Industry was prepared by PROVIDENCE STRATEGIC PARTNERS SDN BHD ("**PROVIDENCE**") for inclusion into the Prospectus of ENEST GROUP BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive.

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For and on behalf of PROVIDENCE:



MELISSA LIM
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions and competitive landscape.

About MELISSA LIM:

Melissa Lim is the Executive Director of PROVIDENCE. She has more than 15 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia.

Enest Group Berhad and its subsidiaries (collectively referred to as "**Enest Group**" or "**the Group**") are principally involved in the processing and sale of raw clean edible bird's nest ("**RCEBN**"), trading of raw unclean bird's nest ("**RUBN**") and RCEBN, and sale of processed bird's nest products. The Group is also involved in the operations of a health and personal care retail store. The Group's EBN business is its largest revenue contributor, having contributed 96.0%, 98.8%, 98.5% and 99.0% to the Group's revenue for the financial years ended ("**FYE**") 31 December 2022, 2023, 2024 and 2025, respectively. As such, this IMR report focuses on the EBN industry in Malaysia, which is the industry in which the Group operates. This IMR report also covers an overview of the EBN market in China, which is the Group's largest market, having contributed 91.9%, 80.4%, 67.4% and 62.8% to the Group's total revenue during the FYE 31 December 2022, 2023, 2024 and 2025, respectively.

1 THE EBN INDUSTRY IN MALAYSIA

INTRODUCTION

EBN is nest made from solidified salivary secretions of swiftlets, which are birds typically found in Southeast Asia, during the nesting and breeding season.

EBN is nutritious and considered in Chinese culture to have health benefits on a person's overall well-being such as strengthening the immune system, reducing phlegm and relieving sore throats, maintaining healthy skin and increasing energy and stamina.[1] As it is coveted in Chinese culture for its health benefits, it is considered a luxury health product. The price of RCEBN varies depending on its grade (which may be determined by size, shape, colour and amount of impurities), species, origin and market it is sold in. For example, RCEBN with lesser impurities generally have higher prices. Meanwhile, whole, intact-shaped bird's nests are also able to fetch higher prices than loose or broken pieces. In addition, RCEBN harvested from caves tend to cost more than those from swiftlet houses.

Globally, the EBN market is valued at USD100 billion (RM470 billion) in 2023, and is expected to reach USD140.71 billion (RM661.3 billion) by the end of 2030.[2]

EBN can be consumed as a dessert or in savoury soups, or further processed into ready-to-drink bottled bird's nest and other processed bird's nest products such as health foods and beverages. EBN can also be incorporated with traditional Chinese medicine.

EBN harvesting in Malaysia began since the 1800s where EBN were harvested from their natural habitats, which are the vertical walls of caves such as Niah Cave and Silabur Cave in Sarawak, and Madai Cave and Gomantong Cave in Sabah. As the EBN industry began to grow, swiftlet houses were used instead to sustain demand. These houses, which may be converted from existing buildings such as shop houses or purpose-built, are designed to replicate the natural habitat of swiftlets (i.e. the cave environment). In order to attract swiftlets, chirping sounds are continuously played through audio speakers installed throughout the houses.

Today, Malaysia is amongst the top 5 producers of EBN in the world, other than Indonesia, Thailand, Vietnam and the Philippines.

The Government of Malaysia has identified the EBN industry as a high-impact agricultural sector. This was evident when the industry was identified as one of the entry point project initiatives under the Economic Transformation Program (ETP), which was launched in 2010, to drive export revenue and grow the gross national income of the country. EBN was later also identified as a high-value commodity under the National Agro-Food Policy 2021-2030, which focuses on enhancing food security, boosting economic growth, and improving the well-being of the population. The National Agro-Food Policy 2021-2030 focuses on developing the EBN industry so that it is competitive globally. It recognises the importance of assisting EBN

[1] Source: "Edible Bird's Nest, a Valuable Glycoprotein Source: Current Research Prospects and Challenges in Malaysia" by Kevser Irfan Unal, Lee Sin Chang, Wan Aida Wan Mustapha, Noorul Syuhada Mohd Razali, Abdul Salam Babji & Seng Joe Lim; Universiti Kebangsaan Malaysia; "Edible Bird's Nest: The Functional Values of the Prized Animal-Based Bioproduct From Southeast Asia–A Review" by Ting Hun Lee, Waseem A. Wani, Chia Hau Lee, Kian Lee, Kian Kai Cheng, Sheikh Shreaz, Syieluing Wong, Norfadilah Hamdan and Nurul Alia Azmi.

[2] Source: Malaysia targets RM2.8bil in bird's nest exports by 2030 by The Star Newspaper

producers to ensure their products comply with the quality requirements of importing countries, and to enhance global consumer confidence and perception towards EBN from Malaysia.

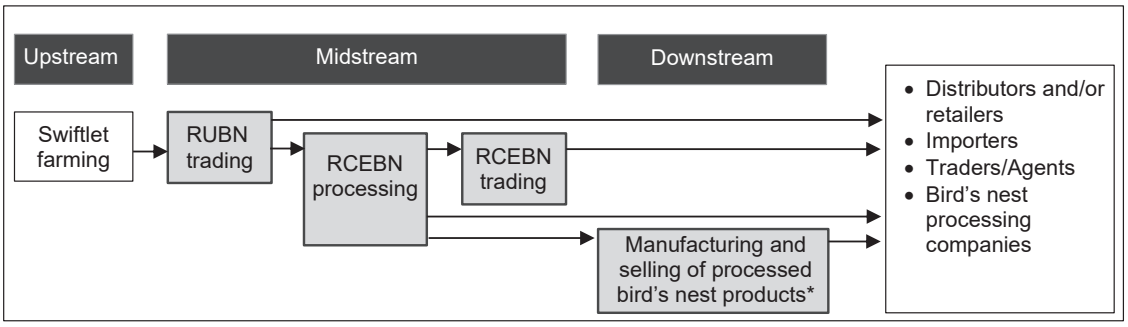
In order to strengthen bilateral trade relations with key export markets such as China, Malaysia has signed a new protocol governing the export of EBN, including RCEBN and RUBN, with China in November 2025. This protocol sets out updated requirements on inspection, quarantine, hygiene, safety and health, in order to ensure continued export access to China, which is the main export market for Malaysia EBN.

The EBN industry in Malaysia is under the jurisdiction of the Department of Veterinary Science ("**DVS**"), which is responsible for monitoring and coordinating all swiftlet breeding and harvesting activities, as well as controlling import and export of animal products including EBN.

The EBN industry can be segmented into upstream, midstream and downstream segments as follows:

- **Upstream**
  The upstream segment involves the farming of swiftlets and harvesting of RUBN by swiftlet farmers. RUBN refers to bird's nest harvested from caves or purpose-built swiftlet houses without any cleaning, with visible varying degrees of cleanliness depending on the presence of feathers and impurities such as eggshells, swiftlet droppings, sand particles, mites, and other contaminants.
- **Midstream**
  The midstream segment involves the processing of RUBN into RCEBN. It also involves the trading of RUBN and RCEBN. RCEBN is EBN that have undergone a meticulous cleaning process to remove feathers and impurities. This cleaning process typically involves sorting, deep cleaning by soaking and picking out feathers and impurities, moulding into cup shapes, drying and heat treatment, and packing. Midstream segment industry players who export their RCEBN are required to comply with regulatory requirements in the processing of RCEBN and need to obtain the Veterinary Health Mark ("**VHM**") certification from DVS. These midstream industry players may also comply with food quality and safety standards with certifications such as the Hazard Analysis and Critical Control Point ("**HACCP**") and Good Manufacturing Practice ("**GMP**") certifications from the Ministry of Health ("**MOH**"). In order to export RCEBN, these midstream segment industry players will also need to prepare export documentations such as the Veterinary Health Certificate and Certificate of Origin from DVS, Export Permit from MAQIS and Health Certificate by MOH. For exports to China, additional documents, namely the Certificate of Freedom of State from Disease from DVS and the ASEAN-China Free Trade Area Preferential Tariff Certificate of Origin from Ministry of Investment, Trade and Industry ("**MITI**"), are required. Enest Group is principally involved in the processing of RCEBN and trading of RUBN and RCEBN.
- **Downstream**
  The downstream segment involves the processing and sale of processed bird's nest products, which include ready-to-drink bottled bird's nest, health foods and beverages, and cosmetic/skincare products formulated with EBN. Enest Group is involved in the sale of processed bird's nest products, namely bottled bird's nest and health beverage using RCEBN peptides.

The abovementioned industry segments are as illustrated below:



Note:
(i) Depicts the segments in which Enest Group is involved in.
(ii) * Manufacturing of Enest Group's processed bird's nest products is undertaken by a contract manufacturer.

Source: PROVIDENCE

8. IMR REPORT *(Cont'd)*

PROVIDENCE

INDUSTRY PERFORMANCE, SIZE AND GROWTH

The EBN industry in Malaysia grew from an annual production output of 762.5 tonnes in 2019 to 1,007.0 tonnes in 2025, at a compound annual growth rate ("**CAGR**") of 4.7%.[3]

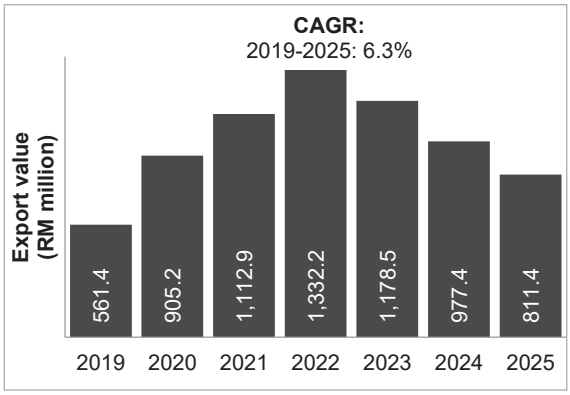
Between 2019 and 2025, Malaysia's export value of EBN grew at a CAGR of 6.3%, rising from RM561.4 million in 2019 to RM811.4 million in 2025.[4] In terms of volume, Malaysia's EBN exports increased from 282.9 tonnes in 2019 to 373.6 tonnes in 2025, registering a CAGR of 4.7%.

The export value and volume of EBN grew rapidly between 2019 and 2022 at CAGRs of 33.4% and 27.7%, respectively, largely due to increased demand during the Coronavirus Disease 2019 ("**COVID-19**") pandemic as EBN is believed to offer health benefits such as strengthening the immune system and supporting lung health. However, the demand for EBN began to taper off in 2023 after multiple countries transitioned to the endemic phase of COVID-19, and prices began to fall. This led to a fall in export value and volume of EBN of 11.5% and 14.8%, respectively, between 2022 and 2023.

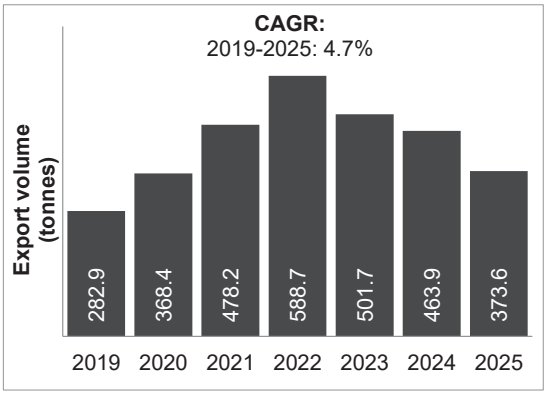
The export volume and value of EBN continued to decline in 2024 due to a fall in prices of EBN during the year, partially attributed to rising competition from other major producers such as Indonesia.

In 2025, the overall export value and volume of EBN decreased mainly due to a temporary suspension of the export of EBN from Malaysia to China between 20 December 2024 and 15 January 2025 as a result of the outbreak of the Newcastle disease. Between January 2024 and January 2025, Malaysia's monthly export value of EBN decreased by 91.6% or RM123.8 million. Meanwhile, export volume of EBN declined by 82.8% or 51.5 tonnes. Malaysia's export performance of EBN subsequently rebounded in February and March 2025 following the lifting of the suspension and resumption of exports to China.

Export value of bird's nests



Export volume of bird's nests



Note:
(i) The export value and volume of EBN are indicated using the export value and volume of all types of EBN
Source: DVS and Department of Statistics Malaysia ("**DOSM**")

Moving forward, the export value of EBN from Malaysia is forecast to grow at a CAGR of 5.4% between 2026 and 2028, reaching approximately RM1.0 billion in 2028. Over the same period, the export volume of EBN from Malaysia is forecast to increase at a CAGR of 3.9%, reaching 419.3 tonnes in 2028. Despite a fall in export value and volume of EBN in 2024 and 2025, the export value and volume of EBN are expected to grow in the future in light of a new protocol governing the export of EBN that was signed in November 2025 and other factors that will continuously drive the EBN industry in Malaysia that are set out in **Chapter 1 – Key Growth Drivers** of this IMR report. In particular, the new protocol will strengthen the bilaterial trade relations with China, a key export market, and improve quality of EBN to China.

According to the Ministry of Science, Technology and Innovation Malaysia, Malaysia aims to export approximately RM2.8 billion of EBN by 2030.

[3] Source: PROVIDENCE analysis
[4] Source: DVS and DOSM

PROVIDENCE

KEY GROWTH DRIVERS

The growth of the EBN industry in Malaysia has been, and is expected to continue to be, driven by the following factors:

(i) Rising disposable income and affluence

The rise in disposable income, both domestically and in key export markets such as China, is expected to drive demand for EBN. As a high-value commodity, EBN in the past has generally been considered expensive and less affordable to the mass market due to its relatively high price point. Nevertheless, with improvements in income levels, the purchasing power of middle- and high-income groups is expanding, leading to the emergence of a more affluent consumer base with greater capacity and willingness to spend on health and wellness products such as EBN.

In particular, China (including Taiwan, Macao and Hong Kong) is Malaysia's largest consumer and importer of EBN, and accounts for approximately 94.6% of Malaysia's EBN export value in 2025.[5] The robust growth in China's EBN consumption has been largely attributed to the nation's rising living standards and increasing disposable income coupled by an enormous population. The spending power of its middle, upper-middle, and high-income population segments has seen continued improvement, with per capita disposable income rising from a range from RMB25,035 (RM15,016[6]) in 2019 to RMB76,401 (RM45,825[6]) in 2019, to a range from RMB35,536 (RM21,165[6]) to RMB103,778 (RM61,810[6]) in 2025.[7] The consumption of EBN in China, which was once reserved as a delicacy food for royalty and the elite, has now expanded to the broader population as it has become more accessible.

Meanwhile, Malaysia is also experiencing positive economic momentum. The country's gross domestic product per capita increased by 4.1%, from RM46,513 in 2019 to RM56,734 in 2024[8], reflecting a broader trend of rising living standards and disposable income. Thus, the domestic market for EBN is also expected to expand.

The rising affluence is expected to boost consumer preferences due to greater capacity and willingness to spend on high-value health foods, and this is anticipated to grow EBN consumption in both domestic and international markets.

(ii) Increased awareness of the health benefits of EBN

EBN has long been coveted in traditional Chinese culture and is valued for its health benefits including strengthening the immune system, reducing phlegm and relieving sore throats, maintaining healthy skin and increasing energy and stamina.[1] In recent years, a growing body of scientific research has begun to validate some of these traditional claims.[9] These attributes have helped solidify its reputation as a high-value health product, especially among health-conscious and aging populations seeking natural alternatives to modern pharmaceuticals.

The growing awareness of EBN's health benefits, coupled with improving living standards and a rising interest in using health food as medicine, is shifting consumer preferences towards natural, functional, and preventive health solutions. This is expected to further fuel demand for EBN, particularly among middle- and high-income populations.

[5] Source: DOSM
[6] Exchange rates from RMB to RM were converted based on annual exchange rates extracted from published information from Bank Negara Malaysia at:
2019: RMB1 = RM0.5998
2025: RMB1 = RM0.5956
[7] Source: National Bureau of Statistics China
[8] Source: DOSM. Latest publicly available data is as at 2024
[9] Source: "Edible Bird's Nest, a Valuable Glycoprotein Source: Current Research Prospects and Challenges in Malaysia" by Kevser Irfan Unal, Lee Sin Chang, Wan Aida Wan Mustapha, Noorul Syuhada Mohd Razali, Abdul Salam Babji & Seng Joe Lim; Universiti Kebangsaan Malaysia; "Edible Bird's Nest: The Functional Values of the Prized Animal-Based Bioproduct From Southeast Asia–A Review" by Ting Hun Lee, Waseem A. Wani, Chia Hau Lee, Kian Lee, Kian Kai Cheng, Sheikh Shreaz, Syieluing Wong, Norfadilah Hamdan and Nurul Alia Azmi.

(iii) Evolvement of the EBN industry to include a greater variety of downstream processed bird's nest products

EBN has traditionally been sold as RCEBN and is usually prepared by boiling it into desserts or savoury soups, a process that can be time-consuming. In response to rising demand for convenience and growing preference for health and wellness products, the EBN industry has evolved and enhanced to include a greater variety of processed bird's nest products.

For example, to cater to consumers in urban areas with fast-paced lifestyles, ready-to-drink bottled bird's nest products have been introduced. These products offer the benefits of traditional RCEBN in a convenient and easily consumable format. Such products appeal to working professional and younger consumers as they require no preparation to be consumed. In addition, EBN has also been increasingly incorporated into a variety of health and wellness products, including sachet-based and powder-based beverages, and even formulated into facial products.

The demand for processed bird's nest products, which are convenient and easy to consume, is supported by the rising urbanisation rate in the country. In Malaysia, the urbanisation rate grew from 74.8% in 2019 to 76.9% in 2024[10], signalling a growing population with lifestyles that favour such processed bird's nest products.

The continued introduction of new processed bird's nest products is expected to have a positive impact on RCEBN, as it is the key ingredient for these products. This, in turn, will stimulate upstream and midstream activities, which is expected to bode well for the growth of the local EBN industry.

SUPPLY CONDITIONS

Availability of materials

RCEBN processors and traders generally procure RUBN from swiftlet houses or caves. In 2025, there are approximately 15,600 swiftlet houses and caves registered with DVS.

The supply of RUBN may be impacted by factors such as environmental factors, and outbreak of diseases. Extreme climate change such as drought and heat wave, deforestation and air pollution may impact swiftlet population and lead to a supply disruption of RUBN. Meanwhile, diseases which may be transmitted through animals or birds may result in Government authorities in local and international markets to temporarily halt the sale of RUBN to curb the spread of the disease. For example, the outbreak of the Newcastle disease in chickens and ducks resulted in a temporary suspension of the export of EBN from Malaysia to China between 20 December 2024 and 15 January 2025.

RUBN is also subject to price fluctuations due to factors such as changes in supply and demand, global and China economic conditions, relevant government regulations and policies, or any negative publicity regarding EBN. Any significant increase in the price of RUBN could impact the margins of EBN industry players if they are unable to pass on the costs to their customers, and/or increase the competitiveness of EBN industry players within Malaysia as well as outside of Malaysia (such as Indonesia).

Availability of labour for the processing of RCEBN

The processing of RCEBN requires human labour, as it is performed manually by hand to preserve the natural shape of the bird's nest as much as possible. As such, workers' skills and experience play a significant role in processing efficiency and product quality. Such processing activities can be undertaken by both local and foreign workers, and are both presently readily available in Malaysia.

RELIANCE AND VULNERABILITY TO IMPORTS

The EBN industry in Malaysia is not reliant on imports as the country is one of the major global producers of EBN. In 2025, Malaysia exported 373.6 tonnes[11] of EBN and imported 7.8 tonnes of EBN[11].

[10] Source: World Bank. Latest publicly available data is as at 2024.
[11] Source: DVS

PROVIDENCE

PRODUCT SUBSTITUTION

EBN may be substituted by other products that offer similar health benefits, such as supplements, collagen drinks, or traditional Chinese medicines.

COMPETITIVE OVERVIEW

The EBN industry in Malaysia has a fragmented competitive landscape, with numerous private and public listed companies. PROVIDENCE estimates that there are more than 12,900 premises that have been registered with the DVS to process RCEBN.[11]

This is because the EBN industry has moderately low barriers to entry as the cost required to set up small-scale operations is low. Even so, RCEBN processors have to obtain various certifications to commence processing activities. Despite being a fragmented industry and having moderately low barriers to entry, RCEBN processors must have the following critical success factors:

- A wide network of customers and suppliers;
- Experience in processing RCEBN to maintain product quality and minimise wastages;
- Ability to determine suitable pricing strategies;
- Obtain necessary approvals to export to China, which is a key market for EBN.

In order to export to China, RCEBN processors must also obtain the General Administration of Customs of the People's Republic of China ("**GACC**") approval. As at 21 May 2026, there were 61 companies in Malaysia that had been approved by GACC to export their EBN to China.

PROVIDENCE has identified 25 industry players, including Enest Group, on the basis that:

(i) They are involved in the processing of RCEBN;
(ii) They have obtained the GACC approval to export EBN to China;
(iii) They are based in Malaysia; and
(iv) They have a revenue of RM10.0 million and above, based on their latest audited FYE.

These industry players are[(a)]:

Company name	Latest audited FYE	Revenue (RM '000)	Gross profit / loss ("GP/GL") (RM '000)	Profit/Loss After Tax ("PAT/LAT") (RM '000)	GP margin [(b)] (%)	PAT margin [(c)] (%)
Borneo Nature Birdnest Sdn Bhd	30 September 2022	11,596	616	36	5.3	0.3
Dama Dingji Yanwo Sdn Bhd	30 April 2025	49,645	5,158	359	10.4	0.7
Ding Feng Swiftlet Sdn Bhd	31 May 2025	23,290	1,985	313	8.5	1.3
Duta Sialin Biotechnology Sdn Bhd	31 December 2024	11,990	(1,569)	(1,886)	-	-
Ecolite Biotech Manufacturing Sdn Bhd[(d)]	30 June 2025	57,074	8,667	(2,044)	15.2	-
Enest Group	**31 December 2025**	**158,382**	**17,003**	**8,365**	**10.7**	**5.3**
Fuciphagus Agritech Sdn Bhd	31 December 2025	13,175	6,779	1,783	51.5	13.5
Golden-Mah Birds Nest Sdn Bhd	31 December 2024	18,970	1,460	(182)	7.7	-
Jitar Sdn Bhd	31 March 2022	27,749	1,280	284	4.6	1.0
Len Fa Medical Supplies (M) Sdn Bhd	31 December 2024	10,953	4,008	926	36.6	8.5
Mei Wen Birdnest Trading Sdn Bhd	31 August 2024	48,707	3,666	61	7.5	0.1
Mymbn Berhad[(e)]	31 December 2025	39,314	1,665	(5,514)	4.2	-

8. IMR REPORT *(Cont'd)*

PROVIDENCE

Company name	Latest audited FYE	Revenue (RM '000)	Gross profit / loss ("GP/GL") (RM '000)	Profit/Loss After Tax ("PAT/LAT") (RM '000)	GP margin [(b)] (%)	PAT margin [(c)] (%)
Nespure Holdings Sdn Bhd	31 December 2024	43,539	5,926	968	13.6	2.2
Nest World Sdn Bhd	31 December 2024	16,466	(461)	(2,445)	-	-
Nestlin Malaysia Sdn Bhd	31 October 2024	15,359	(1,105)	(5,348)	-	-
Optimum Sejati Sdn Bhd	30 June 2024	19,701	2,233	1,188	11.3	6.0
Pasfa Swiftlet Sdn Bhd	31 March 2025	18,259	171	(560)	0.9	-
PCH Cleaning Sdn Bhd	30 September 2023	14,099	1,647	(11)	11.7	-
PT Swift Marketing Sdn Bhd	31 December 2024	73,787	2,802	(44)	3.8	-
Ricksen (M) Sdn Bhd	31 December 2024	10,042	269	(2,359)	2.7	-
Sunshine Region Sdn Bhd	31 December 2024	12,006	(667)	(1,750)	-	-
Tian Ma Bird Nest Sdn Bhd	31 December 2024	17,625	7,205	(13,861)	40.9	-
Wansern Agrotech Sdn Bhd	31 December 2024	37,404	4,539	2,914	12.1	7.8
Yanming Resources Sdn Bhd[(f)]	30 June 2025	35,517	1,395	(143)	3.9	-
Yen Pao Lai (M) Sdn Bhd	31 December 2024	17,983	(2,213)	(2,795)	-	-

Notes:
(i) [a] The list is not exhaustive. It contains information based on publicly disclosed information as at 21 May 2026 and excludes exempt private companies.
(ii) [b] GP margin is computed based on GP over revenue.
(iii) [c] PAT margin is computed based on PAT over revenue.
(iv) [d] Company is a wholly-owned subsidiary of Sunzen Biotech Berhad, which is a public company listed on the ACE Market of Bursa Securities.
(v) [e] Company is listed on the ACE Market of Bursa Securities.
(vi) [f] The ultimate holding company of Yanming Resources Sdn Bhd is Sunzen Biotech Berhad, which is a public company listed on the ACE Market of Bursa Securities.

Source: Companies Commission of Malaysia, various company websites, PROVIDENCE

MARKET SHARE

Based on the volume of EBN sold by Enest Group of 18.4 tonnes during the FYE 31 December 2024 and Malaysia's total EBN export volume of 463.9 tonnes in 2024, Enest Group garnered an industry share of 4.0%. Enest Group's industry share in terms of volume of EBN sold was 4.9% in 2025, based on 18.4 tonnes sold by Enest Group during the FYE 31 December 2025 and Malaysia's total EBN export volume of 373.6 tonnes in 2025.

Meanwhile, based on Enest Group's revenue from exporting EBN to international markets of RM100.3 million for the FYE 31 December 2024 and Malaysia's total export value of bird's nests of RM977.4 million in 2024, Enest Group garnered an industry share of 10.3% in 2024. Enest's industry share increased to 12.4% based on its revenue from exporting EBN to international markets of RM100.8 million for the FYE 31 December 2025 and Malaysia's total export value of bird's nests of RM811.4 million in 2025.

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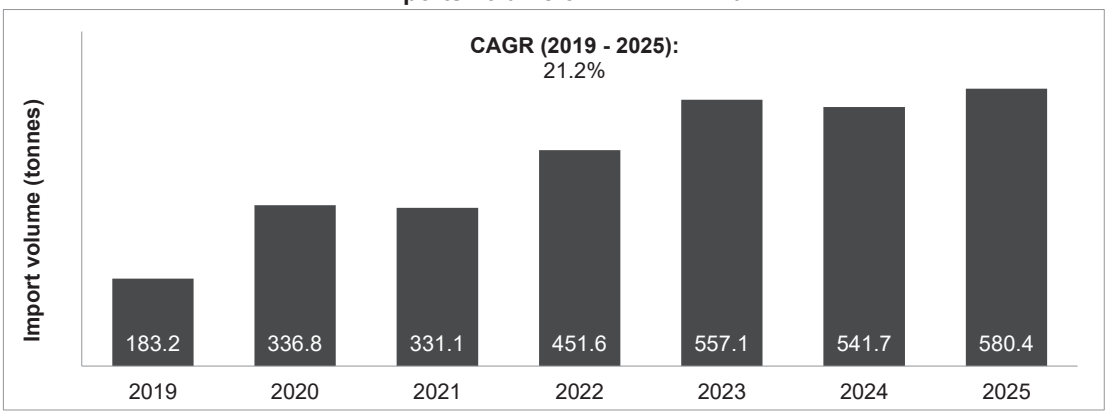
2 OVERVIEW OF THE EBN MARKET IN CHINA

EBN is known as a traditional health food product in China that has been consumed for almost 500 years and was once reserved for royalty and the elite as delicacy food. Over time, the consumption of EBN has become more accessible, though it is still considered as a high-value product and a symbol of luxury and health.

Today, China is the largest consumer and importer of EBN, consuming approximately 96% of global EBN consumption. China mainly replies on imports of EBN from Southeast Asia to meet its demand for EBN.

From 2019 to 2025, China's imports of EBN, in terms of volume, grew from 183.2 tonnes in 2019 to 580.4 tonnes in 2025, at a CAGR of 21.2%. PROVIDENCE forecasts China's imports of EBN to reach approximately 808.3 tonnes in 2028, registering a CAGR of 12.4% between 2026 and 2028.

Imports volume of EBN in China



Note:
(i) Import volume refers to imports of RCEBN and RUBN into China, excluding Taiwan, Macao and Hong Kong

Source: China Academy of Inspection and Quarantine

The growth in market demand for EBN in China is largely fuelled by the growing spending power of the population coupled with an enormous population and rapid urbanisation. China's urbanisation rate increased from 62.7% in 2019 to 65.9% in 2024[12], indicating a rising proportion of population living in urban areas with evolving lifestyles and preferences. As China attains upper-middle-income status, with its per capita disposable income of its middle, upper-middle, and high-income population rising from a range from RMB25,035 (RM15,016[6]) to RMB76,401 (RM45,825[6]) in 2019, to a range from RMB35,536 (RM21,165[6]) to RMB103,778 (RM61,810[6]) in 2025[13], the demand for EBN is expected to continue to increase. With economic growth, the population in the country has a greater propensity to spend on products deemed as luxurious and high-value, including EBN. Higher education levels and the rise of an internet-savvy Chinese middle class are further driving consumer spending, thereby supporting the rising demand for premium health products such as EBN.

In addition, China's ageing population is shaping consumption trends. As a result of increasing life expectancy, China is experiencing a shift in its population pyramid and has now become a moderately aging society. At the end of 2025, 15.9% of the total population were people aged 65 and above, accounting for 223.7 million, which is an increase from 12.6% of total population (177.7 million) in 2019.[14] This increase in aging population has led to changes in consumers behaviours and values, with a stronger emphasis on health, wellness and preventive care. As such, this will drive demand for EBN.

Furthermore, the expansion and growing popularity of the electronic commerce ("**e-commerce**") industry in China have also contributed to the greater distribution and broader access of EBN. The e-commerce

[12] Source: World Bank. Latest publicly available data is as at 2024
[13] Source: National Bureau of Statistics China
[14] Source: National Bureau of Statistics China

industry in China, as measured in terms of the online retail sales, grew from RMB10.6 trillion (RM6.4 trillion[6]) in 2019 to RMB15.9 trillion (RM9.5 trillion[6]) in 2025, recorded a CAGR of 7.0%.[15] During the COVID-19 pandemic, lockdowns were imposed globally to curb the spread of the disease, which led to increased use of online channels to purchase goods. The closure of physical stores and movement restriction measures resulted in a shift in consumer shopping behaviour towards e-commerce. At the same time, in order for merchants to sustain their businesses, many of them ventured into e-commerce during the lockdown period. Although movement restriction measures were lifted after lockdown, the preference for e-commerce remained. As e-commerce activities in China continue to grow, it is expected to further support the EBN industry in the country by enhancing product visibility, and expanding access to consumers across different regions in China.

The combined factors of rising urbanisation and spending power, an ageing population, as well as the growth of e-commerce industry have collectively driven the growth of EBN consumption in China.

3 PROSPECTS AND OUTLOOK FOR ENEST GROUP

The prospects of the EBN industry in Malaysia is expected to be encouraging moving forward. The EBN industry in Malaysia had registered positive growths with export volume of EBN growing at a CAGR of 4.7% between 2019 and 2025. Factors boosting the growth within the EBN industry are propelled by several drivers, including rising disposable incomes and affluence, increased awareness of EBN's health benefits, and evolvement of the EBN industry to include a greater variety of downstream processed bird's nest products.

China is Malaysia's largest consumer and importer of EBN, having accounted for approximately 94.6% of Malaysia's EBN export value in 2025[16]. The growth in market demand for EBN in China is largely fuelled by the growing urbanisation rate from 62.7% in 2019 to 65.9% in 2024[17] and China attaining upper-middle-income status. These factors are expected to lead to the population in the country having a greater propensity to spend on products deemed as luxurious and high-value, including EBN.

In light of the above, Enest Group stands to benefit from the positive prospects of the EBN industry in Malaysia.

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[15] Source: Ministry of Commerce People's Republic of China
[16] Source: DOSM
[17] Source: World Bank. Latest publicly available data is as at 2024

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

9.1.1 We are subject to regulations, registrations and operational protocols to operate our business and export RCEBN

Given EBN's economic value and export to Malaysia's gross national income, the safety of the EBN supply chain is essential in ensuring Malaysia's EBN supply chain functions effectively in a safe, secure and robust environment. As such, MOH jointly with DVS, have established an EBN food safety management system as a need to effectively control the hazards that can compromise EBN food safety. To ensure EBN food safety and compliance with major importing countries' standards, Malaysia implemented a standardised equivalence assessment and review. As such, our processing facilities are required to obtain the GMP, HACCP and VHM to meet international standards and regulations.

In addition, to be able to export RCEBN to China, we are registered with GACC to ensure adherence to strict regulations. Prior to being registered with GACC, our processing facilities are audited and subsequently endorsed by GACC. In addition, stringent QC measures, including sample inspections and laboratory testing, are enforced during customs clearance procedures for export of RCEBN to China. Further, as an overseas registered processing enterprise that export food to China, we are also required to comply with our recorded export capacity ("**export quota**") with GACC.

The VHM certification and registration with GACC are also renewed periodically. In particular, the VHM certification is renewed every 2 years, while the GACC registration is renewed every 5 years.

As China is Malaysia's largest importing country for EBN, the Malaysia and China Governments have fostered collaborative protocols through joint consultations on inspection and quarantine requirements. If the China authority were to introduce new rigorous procedures for EBN quality assurance as part of their regulatory requirements, bird's nest processing companies in Malaysia will have to enhance its procedures accordingly to meet these regulations. There is no assurance that the implementation of these procedures will not incur substantially higher cost that could adversely impact our profit margins in the future.

There is also no assurance that the introduction of any new regulations or any changes to existing regulations or other future regulatory developments will not have a material adverse effect on our maintenance or renewal of certifications and registrations. There is also no assurance that China may not impose stricter import regulations as the food regulation landscape in China is quite dynamic. Furthermore, failure of our processing facilities to adhere to international standards and regulations of hygiene and sanitation, highest standards of quality and safety with the renewal of our certifications and registrations could halt exports to China and other countries and thus, disrupt our business operations and consequently adversely impact our Group's financial performance.

Failure to renew the GACC registration and VHM certification as well as failure to comply with the applicable requirements and regulations promulgated by GACC, including complying to our export quota, would also result in us not being able to export to China with our privileges for export of RCEBN to China suspended by GACC to rectify the non-compliance within a prescribed time limit.

9. RISK FACTORS *(Cont'd)*

The resulting temporary loss of revenue, if not replaced in a timely manner during the period of export suspension or the registration for the VHM certification and GACC is not renewed expediently, would materially and adversely affect our sales, business operations and financial performance.

9.1.2 We are subject to the approval from GACC to export to China

According to the IMR Report, China including Taiwan, Macao and Hong Kong is Malaysia's largest importer of EBN, accounting for 94.6% of Malaysia's export value of EBN to China in 2025, which translates to RM767.6 million. At the same time, our sales to China contributed RM103.78 million (91.9%), RM96.70 million (80.4%), RM98.43 million (67.4%) and RM99.42 million (62.8%) of our revenue for the FYEs 2022-2025. Our ability to export RCEBN to China is contingent upon maintaining our registration with the GACC. We are currently registered with GACC and the registration with GACC is renewed every 5 years. There is no assurance that we will be able to renew or maintain this critical approval, and failure to do so would result in us not being able to export to China and with our privileges for export of RCEBN to China suspended by GACC to rectify the non-compliance. If the temporary loss of revenue, if not replaced in a timely manner or the registration for GACC is not renewed expediently, would materially and adversely affect our sales, business operations and financial performance.

In addition, we are also required to comply with our export quota with GACC. Our obligation to comply with China's quantity-control rules is so that our export of RCEBN can continue to enter China under applicable quota arrangements. We can apply for export quota increases from GACC (via DVS) based on available space, infrastructure capacity and workforce. This requires careful management planning, and our management is of the opinion that the planned increase of export quota on an annual basis is sufficient. Notwithstanding, we may face delays in obtaining higher export quotas from GACC (via DVS) due to factors beyond our control, including introduction of new regulatory requirements or collaborative protocols between the relevant government authorities in Malaysia and China which require close inter-governmental coordination. In particular, we submitted an application to increase our recorded export quota in May 2025 to GACC (via DVS), but as at LPD, the said application is still pending approval from GACC. While this had not materially impacted our Group's business and financial performance for FYE 2025 as we can continue to export based on our existing export quota, any further delay in obtaining approval for this application or future applications for higher export quotas may restrict our capacity to increase our export volumes of RCEBN to China in the future, thus resulting in loss of potential business opportunities and revenue growth and impacting our future plans to grow the exports of RCEBN to China as stated in Section 7.17.2 and restricting our Group's financial performance.

Our Group has not in the past, failed to obtain, renew, maintain or had our required registration or export quota for the business to export RCEBN withdrawn by GACC. However, on or around mid-2019, our Group did not comply with GACC's requirement when Ming Feng and Dynamic Transforms sourced RCEBN processed by processing establishments which were not registered with GACC. Further, in 2019 and 2020, our Group did not comply with GACC's requirement when our Group's export volume of RCEBN to China exceeded our consolidated export quota by 2.1 times and 4.7 times respectively. In addition, in 2021, Dynamic Transforms' export volume of RCEBN to China exceeded its export quota again by 151 kg (or slightly over 1.0 time). For more information on the above non-compliance incidents, please refer to Sections 6.10(n) and (m), respectively. The maximum penalty for the non-compliance with GACC's requirements, would result in the revocation of our registration by GACC.

9. RISK FACTORS *(Cont'd)*

9.1.3 Our processing activities are dependent on skilled labour and the availability of foreign workers

One of the existing challenges in RCEBN processing is the heavy reliance on skilled manpower. Processing RCEBN is most tedious, and demanding in nature, and is performed manually by hand to retain as much as possible the shape of the bird's nest. Workers' skills and experience affect work efficiency and RCEBN processing often suffers from labour shortages with many skilled personnel resigning after acquiring skills. Although our Group has invested in bird's nest picking devices (which comprises a power box and vacuum tweezer) since the second half of 2024 to reduce our labour needs for our processing operations, the processing of RCEBN still requires labour to perform cleaning using the bird's nest picking devices. As such, the loss of trained skilled personnel without timely replacement, may disrupt our business operations and decrease in output. This could consequently have an adverse impact on our sales and financial performance.

In addition, as at LPD, approximately 77.5% of our total employees are foreign workers. Any future hiring freeze on foreign workers or revisions in foreign worker hiring policies will lower the number of processing personnel, potentially resulting in a disruption to our business operations and temporarily affecting our output. Further, any increase in the costs and levy for foreign workers will increase our direct labour costs, and impacting our profit margins. On 22 June 2020, Malaysia's Minister of Human Resource announced a freeze on applications for hiring of foreign workers to prioritise jobs for locals amid the economic slowdown caused by the COVID-19 pandemic as well as to reduce Malaysia's dependence on foreign workers. Despite recruitment efforts, local participation remained limited. Only in the last quarter of 2022 after the re-opening of our borders, our Group started increasing our foreign workforce recruitment. Save for the above, our Group has not encountered any shortage of skilled personnel and/or foreign employees which have materially and adversely affected our business operations and financial performance in the past.

9.1.4 Our business and operations may be impacted by outbreaks of contagious and virulent diseases and widespread health epidemic

Our business operations may be adversely impacted by an outbreak of contagious and virulent diseases or widespread health pandemics. The occurrence of such a disaster or prolonged outbreak of contagious and virulent diseases which may be transmitted through animals, or birds including but not limited to the Newcastle disease or avian influenza virus, may result in Government authorities in local and international markets to halt the sale or purchase of our products to curb the spread of the disease. Such an event may materially disrupt our business and operations.

The recent outbreak of the Newcastle disease in chickens and ducks resulted in a temporary suspension of export of EBN products from Malaysia to China between 20 December 2024 and 15 January 2025. Whilst the export suspension caused a temporary disruption to our Group's exports of RCEBN to China, the impact of the suspension was not material due to the brief suspension period. Our sales were intact and there were no cancellations of orders and we resumed exports of RCEBN to China soon after. As at LPD, save for the recent outbreak of the Newcastle disease, we have not previously experienced any material disruptions or prolonged disruptions to our operations pursuant to such operational risks in the FYEs 2022 to 2025. However, there can be no assurance that future occurrences of such outbreak of diseases will not materially and adversely impact our business and financial performance.

In addition, any widespread of health epidemic may lead to a nationwide movement restriction imposed by the Government as a containment measure to curb the spread of the disease. If this were to occur, this may interrupt or halt business and economic activities, which may include our RCEBN processing activities. This would temporarily suspend our business operations, or may result in us having to operate with reduced workforce capacity.

9. RISK FACTORS *(Cont'd)*

9.1.5 Any government investigations over food safety incidents in China, which is our largest consumer market, and the resulting negative publicity could adversely affect our business

Any government investigations over food safety incidents in China, which is our largest consumer market, and the resulting negative publicity may materially and adversely affect our business. In 2011, the EBN industry in Malaysia and Indonesia suffered a heavy loss when the China government imposed a ban on trade and import due to the high nitrite content found in EBN. Following China's imposition of a ban on EBN imports from Malaysia and Indonesia, there was a notable reduction in the demand for Malaysia EBN, resulting in a decline in the prices of EBN. Consequently, safety standards on the processing of RCEBN was imposed to regulate the quality of Malaysia EBN. Given EBN's economic value and export potential to Malaysia's gross national income, this led to the development of several strategies by the Malaysian Government to support the EBN industry's growth, including developing and imposing industry guidelines and introducing good production practices and industry standards.

In line with strategies to develop a competitive EBN industry that complies with China's bilateral trade protocols(1), DVS established various standards for the Malaysia EBN industry to ensure food safety and that quality EBN products are produced as well as to regulate and facilitate domestic and international trade. This includes the district health officer to randomly sample each batch of RCEBN which is to be exported, to be sent for nitrite testing.

Despite the imposition of food safety standards dedicated to reducing the risk of food contamination, there is no assurance that contamination will not happen. Any similar government investigation or negative publicity in the future, whether directed at our business or the industry as a whole, could lead to a widespread recall of EBN products and/or a ban on trade and import of EBN products into China. A widespread recall of EBN products could lead to significant losses for our Group which would adversely impact our financial performance. Meanwhile, a ban on trade and import of EBN products into China could result in a loss of revenue, which would materially and adversely affect our business operations, sales and financial performance. There is no assurance that our business or the Malaysia EBN industry would not become a target of regulatory or public scrutiny in the future, and that this would not hinder our business prospects.

Note:

(1) Protocols transfer the responsibility for inspection and quarantine on the exported EBN to the authorities of the exporting country.

9.1.6 We are subject to fluctuations in prices of RUBN

Our ability to control our costs, in part, depends on our ability to secure RUBN, our primary supplies, that meet our quality standards at reasonable prices. The cost of RUBN supplies accounted for 81.4%, 85.5% and 95.1% of our total cost of sales for the FYEs 2023, 2024 and 2025, respectively(1). Going forward, we expect our cost of RUBN to continue to account for a significant portion of our cost of sales.

Note:

(1) Cost of RUBN supplies was not comparable for the FYE 2022 and as such was not taken. For the FYE 2022, our Group did not undertake significant RCEBN processing activities. This was due to our Group's inability to recruit sufficient local employees despite recruitment efforts arising from the freeze on applications for hiring of foreign workers. As a result, our Group purchased RCEBN from third parties and exported them after additional processing for packaging. Our Group commenced recruitment of foreign employees to process RCEBN in the last quarter of 2022 after the re-opening of our borders.

9. RISK FACTORS *(Cont'd)*

The price of RUBN could be volatile due to a variety of factors beyond our control. The price of RUBN may be affected by factors such as changes in supply and demand, global including China economic conditions, relevant government regulations and policies, and outbreaks of diseases or any negative publicity regarding Malaysia EBN.

Any increase in the price of RUBN in Malaysia may cause us to adjust our product prices upward (either for RCEBN that we process or RUBN that we trade), which could in turn reduce the competitiveness of our RCEBN and RUBN viz-a-viz players from other countries e.g. Indonesia. Conversely, any decline in RUBN prices will result in the selling prices of the RCEBN that we process and RUBN that we trade to adjust downward accordingly.

Our approach to pricing our products, especially RCEBN and RUBN, have a significant impact on our revenue and profit margin. If we fail to meet our customers' price expectations, or if we are unable to compete effectively with our competitors, our Group's revenue may be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations. Notwithstanding, if the selling prices of our RCEBN decline by more than the cost price of RUBN supplies, our Group's GP margin may be adversely impacted. In addition, if the prices of RUBN that we trade decrease and we are unable to sufficiently increase sales volume to offset the price decline, our Group's revenue could be materially impacted, and this could have an adverse effect on our business, financial condition and results of operations.

In particular, in FYE 2024, our Group experienced a decrease in GP margin for our bird's nest segment due to the decline in RUBN prices and arising therefrom, (1) our average selling prices of RUBN that we trade adjusted downwards accordingly; and in addition, (2) our average selling prices of RCEBN decreased by more than the average cost to process RCEBN in order to remain competitive and avoid losing customers.

9.1.7 Our processing operations are subject to operational risks

Our Group processes RCEBN from our facilities in Kajang and Batu Caves. Our RCEBN are produced through a series of processes. Problems may arise for a variety of reasons, including suspension of processing activities due to natural disasters (such as prolonged adverse weather conditions, drought, heatwave, fire and foods) or other catastrophic events (such as explosions, acts of terrorism and wars), strikes, power outages, water cuts and technical problems that are beyond our control. Any of the above occurrences could disrupt our operations or our suppliers, which would in turn impede our processing operations and delivery of our products to our customers in a timely manner.

Any prolonged interruptions due to any of the above events may also have an adverse material effect on our sales and financial performance. Since the commencement of our operations, we have not experienced any of the above incidents which has led to major interruptions in our operations.

9.1.8 We are dependent on our management team and the good working relationship with our employees

Our Group's success is dependent on the experience and dedication of our management team. In particular, Tan Teh Jie, our Managing Director who has been engaged in the EBN industry since 2013, has amassed extensive industry experience. Our management team also comprise experienced individuals with relevant experience in the industry such as Tan Teh Sheng, our Executive Director, Lok Chyi Yeu, our Chief Operating Officer and Christopher Tan Yew Leong, our Chief Financial Officer, who have significantly contributed to our Group's growth. Our business performance and future success depend on the abilities and contribution of our management team. We believe that our future success is dependent on their continued service. Any loss of our management team (simultaneously or within a short span of time) without timely and suitable replacements could materially and adversely affect our ability to sustain our business operation and financial performance.

9. RISK FACTORS *(Cont'd)*

Notwithstanding, our continued success depends on our ability to attract, motivate, retain and maintain good working relationships with our employees, such as processing personnel and other administrative and management personnel. There can be no assurance that we will be able to recruit or retain a sufficient number of experienced employees for our business or maintain good working relationships with them, or that we will not experience any shortage in labour. If there is a high turnover rate of personnel and we fail to recruit enough skilled personnel and retain them, we may fail to implement our growth strategies. While we strive to provide a desirable working environment to our employees, we may be subject to liability claim and negative publicity, in particular if our personnel suffer from personal injuries or casualties at our facilities. We cannot be assured that we will not have any labour disputes in the future. Any deterioration of our relationships with our employees could result in disputes or claims, which may disrupt our operations. In addition, any labour shortage could hinder our ability to maintain or expand our business operations, which may adversely affect our business operations and results of operations.

9.1.9 Our business is exposed to foreign exchange rate fluctuation

We sell our products to both local and international markets. Except for China, our processing and sales of RCEBN to other international market are mostly denominated in RM. For the FYEs 2022 to 2025, the RMB constituted between 62.6% and 91.3% of our revenue. In addition, timing differences between invoicing and collections/payment will expose us to any adverse fluctuations of the local currency against the RMB.

The following is our Group's breakdown of revenue based on the currencies during the FYEs 2022 to 2025:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Total revenue in RM	9,489	25,522	49,936	59,193
% of total revenue	8.4	21.2	34.2	37.4
Total revenue in RMB	103,173	94,803	96,271	99,176
% of total revenue	91.3	78.8	65.8	62.6
Total revenue in USD	310	-	-	13
% of total revenue	0.3	-	-	*

* Represents less than 0.1%

Since July 2025, our Group has started to enter into forward foreign exchange contracts for certain of our sales of RCEBN to China to hedge our exposure to fluctuations in the RMB exchange rate. However, due to a limit of RM6.00 million with our financier, we are still subject to foreign exchange fluctuation risk for our revenue denominated in RMB which are not covered by forward foreign exchange contracts.

An appreciation of the RMB against the RM will lead to higher revenue recognition in RM after conversion. Conversely, a depreciation of the RMB against the RM will lead to lower revenue recognition in RM after conversion and this may materially and adversely affect our Group's reported financial results.

9. RISK FACTORS *(Cont'd)*

Overall, our foreign exchange gains and losses for the FYEs 2022 to 2025 are as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Realised foreign exchange gain/(loss)	1,206	246	(530)	(853)
Unrealised foreign exchange loss	(218)	-	(213)	(52)
Net gain/(loss)	**988**	**246**	**(743)**	**(905)**

9.1.10 We may not have sufficient insurance to cover all losses or liabilities that may occur due to our business operations

We have secured insurances to cover against various risks, including fire, natural disasters, burglary or accidents that may occur during our business operations. As at LPD, the total sum insured for the respective insurance policies purchased for our operations (excluding insurance obtained for foreign workers and marine cargo insurance obtain for the shipment of RCEBN) are set out as follows:

Types of insurance policies	**Aggregate sum insured (RM'000)**
All risks insurance(1)	13,924
Public liability	1,050
Total	**14,974**

Note:

(1) Insurance coverage for commercial fire, plant and machinery, stock-in-trade, contents, fixtures and fittings, signboard, glass, electronic equipment, burglary and robbery, money, fidelity guarantee, as well as fire consequential losses.

Notwithstanding the insurance coverage taken up by our Group, our insurance coverage may not cover certain types of losses that are not insurable and not economically insurable such as wars, riots, acts of terrorism and outbreaks of infectious diseases. Any losses or damages in excess of our insured limits or in areas in which we were not completely insured, could have a negative effect on our business, financial performance and of our operations. Further, any insurance claims may affect our insurance premiums charged to us subsequently by our respective insurers and this may impact our financial performance. There were no past incidences or occurrences that led to a material insurance claim.

9.2 RISKS RELATING TO THE INDUSTRY IN WHICH OUR GROUP OPERATES IN

9.2.1 We face competition in the EBN industry

Our Group competes with domestic industry players involved in the processing of RCEBN, as listed in the IMR Report in Section 8. Notwithstanding, we also compete with other exporters of RCEBN i.e. from Indonesia in terms of pricing, product quality and ability to deliver in a timely manner. Apart from existing industry players domestically and from Indonesia, we may also face competition from new industry players.

Competition faced from other industry players may lead to material and adverse effects on our Group's profitability and financial performance as we may be forced to offer more competitive prices in order to secure sales orders.

9. RISK FACTORS *(Cont'd)*

In addition, we strive to maintain the quality of our products in accordance with the specifications required by our customers. Further, it is vital that we are able to consistently deliver our products to our customers in a timely manner.

Our Group strives to ensure that we continue to meet the above quality requirements to stay competitive in the EBN industry. Failure to do so may lead to material and adverse effects on our Group's track record and industry reputation, which may lead to loss of business to our competitors, which would subsequently affect our overall business and financial performance.

9.2.2 We are subject to risks related to political, social, economic and regulatory conditions in Malaysia and China

Any changes in the political, social, economic and regulatory conditions in Malaysia and China could adversely affect our business operations and financial performance. Changes in the political, social, economic and regulatory conditions could arise from, amongst others, changes in regulatory structures, changes in political leadership and occurrence of civil war or disorder. Similarly, any global or regional economic downturn would also affect overall business and consumer confidence, sentiments as well as investments, which would subsequently affect the demand for our products.

Our revenue was substantially derived from the processing and sales of our RCEBN in China during the FYEs 2022 to 2025. Thus, any slowdown or decline in the China economy, EBN market in China or changes in import tariffs and related duties, can have an adverse impact on our business, results of operations and financial condition. The success of our business depends on the condition and growth of the China market, which in turn depends on macroeconomic conditions and individual income levels in China. Any future slowdown, decline or instability or uncertainties regarding the future economic prospects of the China economy may affect consumer spending habits, which in turn could adversely affect our business, operating results and financial condition.

The geopolitical conflict in the Middle East have led to a disruption in global energy supply and significantly higher global energy prices. This presents as a risk to our Group as higher energy prices:

(i) would directly result in higher transport cost of deliveries of RUBN within Malaysia and higher freight charges to countries to which we export RCEBN to our customers. If we are unable to fully pass on the increase in transport costs, this could adversely impact our profit margins;

(ii) would adversely impact the global economy, including China's economy, as higher oil and gas prices could raise costs for businesses leading to higher prices of goods and services for consumers. This may reduce discretionary spending, resulting in cutbacks in spending on RCEBN. Consequently, demand for our Group's RCEBN and RUBN may be adversely affected, which could in turn adversely impact our business and financial performance;

(iii) if prolonged, could indirectly result in higher expenses in relation to overheads and labour costs. Labour costs could increase as prolonged higher energy prices may eventually force a recalibration of wages to ensure the workforce remains economically viable and stable. Any rise in labour costs could also increase our costs of processing RCEBN. As such, this could potentially compress our margins if we are unable to fully pass these increases through to our customers.

There can be no assurance that any other adverse political, social, regulatory or economic developments which are beyond our control, will not materially affect our business and financial performance.

9. RISK FACTORS *(Cont'd)*

9.2.3 We may be affected by potential climate risk which can disrupt the natural resources and impact supply chain

Swiftlet ranching is vulnerable to climate related risks as extreme weather events, such as drought and heatwave can disrupt natural resources and impact supply chain. Extreme climate change, deforestation and air pollution such as haze as a result of open burning may impact swiftlet population and disrupt the supply chain of RUBN. Long term climate change may also cause changes in habitats and swiftlet behaviours. As climate conditions change, many plant, animal and insect species can experience population declines. Species that cannot adapt fast enough face higher extinction risks.

As our industry relies on a product of nature as a key input for our processing of RCEBN and trading of EBN, if there is a disruption in the supply of RUBN due to environmental degradation or climate change impacting swiftlet population, the risk of not being able to obtain supply would increase and will lead to an inability to access necessary natural products, and constrained revenue growth. Given that we source all of our RUBN supplies domestically and as at LPD, Malaysia does not import RUBN supplies, these factors could negatively impact our ability to source sufficient quantities of RUBN, thus adversely affecting our business operations and financial performance.

9.2.4 Any quality related issues in the EBN industry in general could adversely affect our business

Any incidents or reports involving food-safety issues, such as adulteration or contamination, whether true or not, as well as adverse public or medical opinions about the health effects of consuming Malaysia EBN products, could negatively affect consumer's confidence in consuming Malaysia EBN.

Other enterprises in the Malaysia EBN industry may experience problems related to product quality and safety due to the quality standards they implement, quality defect, and inadequate compliance with and enforcement of inspection procedures under the food safety regulations, and whilst we may not be involved in any of these events, any report linking EBN to such instances could, by resulting in negative publicity in the Malaysia EBN industry in general, causing consumers to be doubtful or fearful in consuming Malaysia EBN and adversely affect our sales. A decrease in consumer traffic as a result of food-safety concerns or negative publicity, product recalls, could materially harm our business and results of operations.

9.2.5 We rely on consumer demand for our products especially in China and Malaysia. Any shift in consumer demand may materially and adversely affect our business and results of operations

Our business relies on consumer demand for our products, especially in China and Malaysia, which depends substantially on factors such as consumers' spending patterns, income, perceptions of and confidence in the Malaysia EBN quality and food safety. Changes in any of the above factors could result in a decline in consumer demand for Malaysia EBN products. In particular, consumers' perceptions of and confidence in Malaysia EBN quality and food safety may significantly affect consumer demand for Malaysia EBN products.

Additionally, any government investigations over food safety incidents in Malaysia EBN and the resulting negative publicity could adversely affect our business. These negative publications may cause consumer preference to shift away from Malaysia EBN products and adversely affect consumer demand for our products.

9. RISK FACTORS *(Cont'd)*

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

Prior to our Listing, there was no public trading for our Shares, as trading of our Shares on the LEAP Market is restricted to sophisticated investors as specified under the Guidelines on Categories of Sophisticated Investors issued by the SC. Upon completion of the Transfer Listing, our Shares will be traded on the ACE Market which is accessible by a wider pool of investors. However, the listing of our Shares on the ACE Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market.

9.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occurs:

(a) The selected investors fail to subscribe for their portion of our IPO Shares;

(b) Our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and

(c) We are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.0% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of the High Court of Malaya or with notice to be sent to the Director General of the IRB and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

9.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

9. RISK FACTORS *(Cont'd)*

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

9.4 OTHER RISKS

9.4.1 Our Specified Shareholders will be able to exert significant influence over our Company

Our Specified Shareholders will collectively hold approximately 45.2% of our enlarged share capital upon Listing. Because of the size of their shareholdings, our Specified Shareholders will have significant influence on the outcome of certain matters requiring the vote of shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities. While our Specified Shareholders do not have outright control (which requires a simple majority of 50% plus 1 voting share), their sizeable equity interest carry substantial weight in general meetings in determining the outcome of any corporate transactions or other matters that require shareholders' approval especially since the shareholdings of the remaining 54.8% of our enlarged share capital upon Listing are expected to be fragmented.

9.4.2 Forward-looking/prospective statements in this Prospectus may not be achievable

Certain statements or expectations or forecasts in this Prospectus are based on historical data which may not be reflective of our future results. Forward-looking statements in this Prospectus are based on assumptions and subject to uncertainties and contingencies.

There can be no assurance that such prospective statements or expectations or forecasts will materialise and actual results may be deviate significantly. Such deviation may have a material and adverse effect on us.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during the FYE 2022 to 2025 and up to LPD:

Related party	Transacting company in our Group	Nature of relationship	Nature of transactions	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		1 January 2026 up to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Sri Kerdau Bird Nest Sdn Bhd ("**Sri Kerdau**")	Ming Feng	**Interested person** • Tan Teh Jie • Tan Teh Sheng • Tan Heng Guan • Tan Beng Heng See Note (7) for further details on the relationship with our Directors, substantial shareholders and/or persons connected with them	Purchases of RUBN by Ming Feng	(76)	(1)<0.1	(69)	(1)<0.1	-	-	-	-	-	-
Frozen Frenzy Sdn Bhd ("**Frozen**")	Ming Feng	**Interested person** • Tan Teh Jie • Tan Teh Sheng • Tan Heng Guan • Tan Beng Heng See Note (8) for further details on the relationship with our Directors, substantial shareholders and/or persons connected with them	Sales of RUBN by Ming Feng	-	-	-	-	10	(2)<0.1	-	-	-	-
			Van-related expenses reimbursed to Ming Feng(5)	-	-	6	(4)<0.1	6	(4)<0.1	-	-	-	-
	Kang Li		Van-related expenses reimbursed to Kang Li(5)	-	-	5	(4)<0.1	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Related party	Transacting company in our Group	Nature of relationship	Nature of transactions	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		1 January 2026 up to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Kim Dorian Manufacturing Sdn Bhd ("**Kim Dorian**")	Ming Feng	**Interested person** • Tan Teh Jie • Tan Teh Sheng • Tan Heng Guan • Tan Beng Heng See Note (9) for further details on the relationship with our Directors, substantial shareholders and/or persons connected with them	Purchase of durian products by Ming Feng	-	-	(<1)	(3)<0.1	(1)	(3)<0.1	-	-	-	-
			Van-related expenses reimbursed to Ming Feng(5)	-	-	2	(4)<0.1	<1	(4)<0.1	-	-	-	-
	Dynamic Transforms		Sales of RUBN by Dynamic Transforms	-	-	-	-	150	(2)0.1	-	-	-	-
			Purchase of durian products by Dynamic Transforms	-	-	-	-	(7)	(3)0.2	-	-	-	-
	Kang Li		Purchase of durian products by Kang Li	-	-	-	-	(4)	(3)<0.1	-	-	-	-
			Sales of test kits, face masks and gloves by Kang Li	221	(2)0.2	3	(2)<0.1	2	(2)<0.1	-	-	-	-
	Enest Marketing		Sales of bottled bird's nest by Enest Marketing	-	-	4	(2)<0.1	<1	(2)<0.1	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Related party	Transacting company in our Group	Nature of relationship	Nature of transactions	Transaction value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		1 January 2026 up to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			Purchase of durian products by Enest Marketing	-	-	(221)	[3]3.8	(101)	[3]2.3	-	-	-	-
Tan Teh Jie Tan Teh Sheng	Enest	**Interested person** • Tan Teh Jie • Tan Teh Sheng See Note (10) for further details on the relationship with our Directors, substantial shareholders and/or persons connected with them	Rental paid by Enest[6]	(32)	[3]0.5	(32)	[3]0.5	(30)	[3]0.7	-	-	-	-

Notes:

(1) Calculated based on our Group's cost of sales for each of the respective financial years.

(2) Calculated based on our Group's revenue for each of the respective financial years.

(3) Calculated based on our Group's total administrative expenses for each of the respective financial years.

(4) Calculated based on our Group's NA for each of the respective financial years.

(5) In FYE 2023 and 2024, our Group rented a van from a third party for the deliveries in respect of our Group's bottled bird's nest products. As part of our delivery operations, as and when there is additional space in the van, our Group allowed Frozen and Kim Dorian to include their products on these delivery routes when the destination aligns. The expenses shared with Frozen and Kim Dorian included van rental, fuel, parking, and other miscellaneous charges incurred by our Group. These expenses were then allocated and charged to Frozen and Kim Dorian and these amounts were subsequently reimbursed to our Group. The transactions in relation to van-related expenses reimbursed to our Group from our Group's related parties were not more favourable to our related parties and are not detrimental to our Group. However, the transactions were not conducted on

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

arm's length basis as they were interest free. All such amounts have been fully settled by our related parties as at LPD, and moving forward, our Group no longer incurs such expenses with our Group's related parties.

(6) We previously rented 2 office units located at T2A-17-10 & T2A-17-11, Menara 3, No. 296, Jalan Ampang, 50450 Kuala Lumpur from Tan Teh Sheng and Tan Teh Jie, respectively, which were used as our marketing office and product showroom for FYE 2022 to 2024. The tenancies were from 1 December 2021 to 30 November 2024 with the option to renew for another year. However, these rental arrangements were not renewed upon expiry of the tenancies.

(7) Atatmas Group Sdn Bhd was the shareholder of Sri Kerdau holding 100.0% equity interest in Sri Kerdau, between August 2022 to July 2023, where it is wholly-held by Atatmas (L) Foundation. Tan Beng Heng, Tan Heng Guan, Tan Teh Jie and Tan Teh Sheng are council members and beneficiaries of Atatmas (L) Foundation.

Tan Heng Guan is our Promoter and major shareholder.

Tan Beng Heng is our Promoter and substantial shareholder.

Tan Teh Jie is our Promoter, major shareholder and Managing Director.

Tan Teh Sheng is our Promoter, major shareholder and Executive Director.

Sri Kerdau was disposed to an unrelated party on 15 April 2024.

(8) Tan Teh Jie is a director and shareholder of Frozen, holding 25.0% equity interest in Frozen.

Tan Teh Sheng is a director of Frozen.

Big Store Poultry Sdn Bhd is a shareholder, holding 25.0% equity interest in Frozen, where it is wholly-owned by Atatmas Group Sdn Bhd, which in turn is wholly-held by Atatmas (L) Foundation. Tan Beng Heng, Tan Heng Guan, Tan Teh Jie and Tan Teh Sheng are council members and beneficiaries of Atatmas (L) Foundation.

Tan Heng Guan is our Promoter and major shareholder.

Tan Beng Heng is our Promoter and substantial shareholder.

Tan Teh Jie is our Promoter, major shareholder and Managing Director.

Tan Teh Sheng is our Promoter, major shareholder and Executive Director.

(9) Tan Beng Heng is a director of Kim Dorian.

Yin RongRong, the spouse of our Promoter, major shareholder and Managing Director Tan Teh Jie, is a shareholder of Kim Dorian, holding 5.0% equity interest.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Chop Eng Seng Huat Plantation Sdn Bhd is a shareholder of Kim Dorian, holding 65% equity interest, where it is wholly-owned by Atatmas Group Sdn Bhd, which in turn is wholly-held by Atatmas (L) Foundation. Tan Beng Heng, Tan Heng Guan, Tan Teh Jie and Tan Teh Sheng are council members and beneficiaries of Atatmas (L) Foundation.

Tan Heng Guan is our Promoter and major shareholder.

Tan Beng Heng is our Promoter and substantial shareholder.

Tan Teh Jie is our Promoter, major shareholder and Managing Director.

Tan Teh Sheng is our Promoter, major shareholder and Executive Director.

(10) Tan Teh Jie and Tan Teh Sheng are our Promoters, major shareholders and Directors.

Save as disclosed in Note (6), none of the aforesaid related party transactions were recurring in nature and as at LPD, there are no related party transactions with our Group's related parties, including with Frozen. In addition, there are no related party transactions that have been entered into but not yet effected between LPD and the date of this Prospectus.

Save as disclosed in Note (5) above, our Directors are of the view that all our related party transactions were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties. This was determined based on the following:

(a) purchases of RUBN from Sri Kerdau were based on comparable purchase prices from other suppliers;

(b) sales of RUBN, bottled bird's nest as well as test kits, face masks and gloves by our Group to related parties were based on comparable rates charged to other customers;

(c) purchase of durian products from Kim Dorian were based on comparable rates charged by Kim Dorian to other customers; and

(d) rental expenses paid to Tan Teh Jie and Tan Teh Sheng were based on the then prevailing market rental rates of similar properties within the vicinity.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

(i) At least 2 other contemporaneous transactions with third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/services and/or quantities; or

(ii) If the quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transactions to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek the mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

(i) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;

(ii) The rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and

(iii) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the ACE Market Listing Requirements, a related party transaction may require prior approval of the shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transactions that require shareholders' approval, the Directors and/or major shareholders who have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director and/or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director and/or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

resolution approving the proposed related party transaction at the general meeting. The relevant Directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regards to any related party transaction entered into by us.

10.2 OTHER TRANSACTIONS

10.2.1 Transactions entered into that are unusual in their nature or conditions

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party to for the FYEs 2022 to 2025 and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)

(a) Outstanding loans and/or balances

As at LPD, there are no outstanding loans made by our Group to/for the benefit of a related party or granted by the related parties for the benefit of our Group.

(b) Guarantees

As at LPD, Tan Teh Sheng, Tan Teh Jie and Christopher Tan Yew Leong have jointly and severally provided personal guarantees for the banking facilities extended by RHB Islamic Bank Berhad ("**RHBIBB**") to Ming Feng and Enest Marketing.

Separately, Tan Teh Sheng, Tan Teh Jie, Christopher Tan Yew Leong and Lok Chyi Yeu have also jointly and severally provided personal guarantees for the banking facilities extended by RHBIBB to Dynamic Transforms.

The details of the facilities are set out as follows:

Financier/ Borrower	**Type of Facilities**	**Outstanding balance and amount guaranteed as at LPD**	**Facility limit and amount guaranteed**	**Guarantors**
		RM'000	**RM'000**	
RHBIBB/ Ming Feng	Term loan and overdraft	1,175	2,200	Tan Teh Jie Tan Teh Sheng Christopher Tan Yew Leong

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Financier/ Borrower	Type of Facilities	Outstanding balance and amount guaranteed as at LPD	Facility limit and amount guaranteed	Guarantors
		RM'000	**RM'000**	
RHBIBB/ Ming Feng	Overdraft and letter of credit	2,064	3,800	Tan Teh Jie Tan Teh Sheng Christopher Tan Yew Leong
RHBIBB/ Dynamic Transforms	Overdraft and multi-trade line	1,998	4,000	Tan Teh Jie Tan Teh Sheng Christopher Tan Yew Leong Lok Chyi Yeu
RHBIBB/ Enest Marketing	Bankers' acceptances	-	3,000	Tan Teh Jie Tan Teh Sheng Christopher Tan Yew Leong
RHBIBB/ Ming Feng	Bankers' acceptances	3,000	5,000	Tan Teh Jie Tan Teh Sheng Christopher Tan Yew Leong
RHBIBB/ Dynamic Transforms	Bankers' acceptances	3,000	5,000	Tan Teh Jie Tan Teh Sheng Christopher Tan Yew Leong Lok Chyi Yeu
	Total	**11,237**	**23,000**	

Through letters dated 10 December 2024 and 8 September 2025, as well as Letters of Offer from RHBIBB all dated 4 November 2025 issued to Dynamic Transforms, Ming Feng and Enest Marketing, RHBIBB shall allow the discharge of the above personal guarantees, subject to, amongst others, the following conditions:

(i) successful Listing;

(ii) the existing guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad shall continue for the existing banking facilities;

(iii) approval by Syarikat Jaminan Pembiayaan Perniagaan Berhad;

(iv) waiver of the existing joint and several guarantee shall be on pari passu basis with all other financial institutions; and

(v) the Listing is to be completed by 31 December 2026.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

As at LPD, all conditions stated above have yet to be met. However, on 8 August 2025 and 16 March 2026, RHBIBB has sought the approval from Syarikat Jaminan Pembiayaan Perniagaan Berhad on behalf of our Group. Should the approval from Syarikat Jaminan Pembiayaan Perniagaan Berhad not be granted, our Group will prioritise to refinance the outstanding loans, failing which, our Group will settle the outstanding loans using internally generated funds.

Until the release and/or discharge are obtained from RHBIBB, the respective guarantors will continue to provide personal guarantees for the banking facilities extended to our Group.

As at LPD, our Group does not provide any loan/guarantees for the benefit of our Group's related parties or third parties.

10.2.3 Financial assistance provided for the benefit of the related party

As at LPD, there is no financial assistance provided by us for the benefit of any related party.

10.2.4 Financial assistance provided from any related party

As at LPD, there is no financial assistance provided from any related party.

10.2.5 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

(a) Agreement dated 30 August 2023 between Enest Group Berhad and M&A Securities for the appointment of M&A Securities as Adviser, Placement Agent and Sponsor for our Listing; and

(b) Underwriting Agreement.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

As at LPD, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in any businesses or corporations:

(a) which is carrying on a similar trade as our Group; or

(b) which is a customer or supplier of our Group.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nomination Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nomination Committee will first evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Nomination Committee will then:

(a) immediately inform our Audit and Risk Management Committee and Board of the conflict of interest situation;

(b) after deliberating with our Audit and Risk Management Committee, to make recommendations to our Board to direct the conflicted Director to:

  (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an executive Director); and

  (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b)(ii) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the matter that has given rise to the conflict of interest situation and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions relating to the matter that has given rise to the conflict of interest situation.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Nomination Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

11. CONFLICT OF INTEREST *(Cont'd)*

11.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

(a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Sponsor, Underwriter and Placement Agent for our Listing.

(b) Azman Davidson & Co has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing.

(c) Grant Thornton Malaysia PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing.

(d) Providence Strategic Partners Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our Company was incorporated in Malaysia on 9 April 2018 under the Act as a private limited company under the name Enest Group Sdn Bhd. On 16 November 2018, we were converted into a public limited company to facilitate our listing on the LEAP Market on 7 August 2019.

Our historical financial statements throughout the FYEs 2022 to 2025 have been prepared in accordance with MFRS and IFRS. Our audited consolidated financial statements for the FYEs 2022 to 2025 were not subject to any audit qualifications. The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

12.1.1 Consolidated statements of profit or loss and other comprehensive income

The following table sets out a summary of our consolidated statements of comprehensive income for the FYEs 2022 to 2025 which have been extracted from the Accountants' Report. It should be read in conjunction with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	112,972	120,325	146,207	158,382
Cost of sales	(98,855)	(105,363)	(131,152)	(141,379)
GP	**14,117**	**14,962**	**15,055**	**17,003**
Other income	1,567	348	1,713	656
Selling and distribution expenses	(282)	(211)	(128)	(102)
Administrative expenses	(6,091)	(5,854)	(4,425)	(4,338)
(Impairment loss)/Reversal on financial assets	(66)	46	569	-
Other expenses	(327)	(57)	(1,099)	(968)
Operating profit	**8,918**	**9,234**	**11,685**	**12,251**
Finance income	11	12	20	25
Finance costs	(357)	(510)	(1,069)	(1,495)
Share of loss of an associate	-	*	-	-
PBT	**8,572**	**8,736**	**10,636**	**10,781**
Tax expense	(2,108)	(1,736)	(2,208)	(2,416)
PAT	**6,464**	**7,000**	**8,428**	**8,365**
Foreign currency translation, net of tax	(84)	57	(284)	(361)
Total comprehensive income	**6,380**	**7,057**	**8,144**	**8,004**
PAT attributable to:				
Owners of our Company	6,066	6,670	8,037	8,021
Non-controlling interests	398	330	391	344
	6,464	**7,000**	**8,428**	**8,365**
Total comprehensive income attributable to:				
Owners of our Company	5,982	6,727	7,753	7,660
Non-controlling interests	398	330	391	344
	6,380	**7,057**	**8,144**	**8,004**

Note:

* Amount less than RM500.

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
EBIT[(1)]	8,918	9,234	11,685	12,251
EBITDA[(1)]	9,840	10,227	12,636	13,138
GP margin (%)[(2)]	12.5	12.4	10.3	10.7
PBT margin (%)[(3)]	7.6	7.3	7.3	6.8
PAT margin (%)[(4)]	5.7	5.8	5.8	5.3
Effective tax rate (%)[(5)]	24.6	19.9	20.8	22.4
Basic EPS (sen)[(6)]	1.3	1.4	1.7	1.7
Diluted EPS (sen)[(7)]	1.0	1.1	1.4	1.4

Notes:

(1) EBIT and EBITDA are calculated as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
PAT	6,464	7,000	8,428	8,365
Less:				
Interest income	(11)	(12)	(20)	(25)
Add:				
Finance cost	357	510	1,069	1,495
Tax expense	2,108	1,736	2,208	2,416
EBIT	**8,918**	**9,234**	**11,685**	**12,251**
Add:				
Depreciation	922	993	951	887
EBITDA	**9,840**	**10,227**	**12,636**	**13,138**

(2) Calculated based on GP over revenue.

(3) Calculated based on PBT over revenue.

(4) Calculated based on PAT over revenue.

(5) Calculated based on tax expense divided by PBT.

(6) Calculated based on PAT attributable to owners of our Company divided by the share capital of 465,000,040 Shares before our IPO.

(7) Calculated based on PAT attributable to owners of our Company divided by the share capital of 581,250,040 Shares after our IPO.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.1.2 Consolidated statements of financial position

The following table sets out the consolidated statements of financial position of our Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025which have been extracted from the Accountants' Report. It should be read in conjunction with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and the Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current assets				
PPE	5,654	5,892	10,743	12,380
Investment properties	823	1,048	4,550	5,100
Goodwill[(1)]	1,840	1,840	1,840	1,840
Fixed deposits with licensed banks	-	-	160	320
Cash and cash equivalents	-	-	167	167
Total non-current assets	8,317	8,780	17,460	19,807
Current assets				
Inventories	11,334	15,920	13,482	15,006
Trade receivables	13,453	18,148	25,294	16,665
Other receivables[(2)]	4,457	4,663	3,266	2,970
Amount due from an associate	-	11	56	109
Other investment	430	-	1	1
Tax recoverable	-	-	-	23
Fixed deposits with licensed banks	505	639	877	931
Cash and cash equivalents	3,646	1,297	9,610	28,073
Total current assets	33,825	40,678	52,586	63,778
Total assets	**42,142**	**49,458**	**70,046**	**83,585**
Equity				
Share capital	5,431	5,431	5,431	5,431
Merger deficit[(3)]	(375)	(375)	(375)	(375)
Foreign currency translation reverse	(72)	(15)	(299)	(660)
Retained earnings	21,456	28,126	36,164	44,184
Equity attributable to owners of our Company	26,440	33,167	40,921	48,580
Non-controlling interests	1,952	2,282	2,672	3,017
Total equity	**28,392**	**35,449**	**43,593**	**51,597**
Non-current liabilities				
Borrowings	3,633	3,979	9,368	12,133
Deferred tax liabilities	110	94	192	280
Lease liabilities	1,442	959	1,153	710
Total non-current liabilities	5,185	5,032	10,713	13,123
Current liabilities				
Trade payables	3,455	3,583	233	204
Other payables[(4)]	771	747	3,323	1,961
Contract liabilities	-	-	146	1,807
Lease liabilities	496	491	363	297
Amount due to a Director	-	*	-	-
Borrowings	2,109	1,887	8,428	11,981
Bank overdraft	4	1,442	1,613	1,161
Tax payable	1,730	827	1,634	1,454
Total current liabilities	8,565	8,977	15,740	18,865
Total liabilities	**13,750**	**14,009**	**26,453**	**31,988**
Total equity and liabilities	**42,142**	**49,458**	**70,046**	**83,585**

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

* Amount less than RM500.

(1) Arising from the acquisition of Dynamic Transforms.

(2) The breakdown of our other receivables is as follows:

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Other receivables[(i)]	107	99	117	16
Advances to suppliers	3,572	2,568	742	26
Deposits[(ii)]	254	189	184	122
Deposits for purchase of properties[(iii)]	-	521	80	80
Prepayments[(iv)]	570	1,098	1,316	2,146
Indirect tax recoverable	-	188	827	580
	4,503	4,663	3,266	2,970
Less: Allowance for expected credit losses[(v)]	(46)	-	-	-
Total other receivables	**4,457**	**4,663**	**3,266**	**2,970**

Subnotes:

(i) Comprise mainly advance payments to freight companies to pre-book deliveries to China, refunds due from suppliers and advance payment to an import broker.

(ii) Comprise mainly rental and utilities deposits paid to landlords for the tenancies of our main office, Kajang Facility and workers' accommodation. Unless renewed, these deposits are refundable upon the expiration of the tenancies.

(iii) Relates mainly to deposit, stamp duty and legal fee paid to acquire a service apartment in Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur; and booking fees for the purchase of (a) 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor and (b) 2 units of adjoining 3-storey semi-detached factories at an industrial park in Kajang.

(iv) Comprise mainly prepayments for professional fees in relation to our Listing.

(v) Being impairment loss on other receivable which was reversed in the FYE 2023 due to subsequent collection, as disclosed in Section 12.2.2(f).

(3) Merger deficit relates to the cost of the merger being higher than the nominal value of the shares acquired in Ming Feng and Ye Lin.

(4) The breakdown of our other payables is as follows:

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Non-trade payables[(i)]	275	153	2,661	1,154
Accrual of expenses[(ii)]	496	594	662	807
Total other payables	**771**	**747**	**3,323**	**1,961**

12. FINANCIAL INFORMATION *(Cont'd)*

Subnotes:

(i) Comprise mainly outstanding amounts from non-trade transactions such as printing and stationery expenses, freight charges, utilities charges, insurance costs and professional fees such as audit, secretarial and tax agent fees, deposits received from customers of RM0.92 million, amount owing to a supplier for the purchase of bird's nest picking devices of RM0.32 million as well as an amount of RM1.08 million owing to the developer for the purchase of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor, as at 31 December 2024. The lower non-trade payables as at 31 December 2025 was attributable to deposits received from customers in the previous financial year which was subsequently recognised as revenue in the FYE 2025 and disbursement of RM0.64 million from existing term loans relating to the 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor. The remaining RM0.44 million owing to the developer for the said factories will be disbursed in FYE 2026.

(ii) Comprise mainly accruals for employees' salaries, bonuses and statutory contributions as well as audit fees.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.1.3 Consolidated statements of cash flows

The following table sets out the consolidated statements of cash flows of our Group for the FYE 2022 to FYE 2025 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating activities				
PBT	8,572	8,736	10,636	10,781
Adjustments for:				
Depreciation of PPE	922	993	951	887
Fair value adjustment on investment properties	(194)	(49)	(912)	(550)
Gain on early termination of lease contracts	(1)	(1)	(38)	(2)
Gain on remeasurement of lease contracts	(10)	-	-	-
Gain on disposal of PPE	-	-	*	-
Dividend income from other investments	(25)	(10)	(1)	*
(Reversal)/Impairment loss on financial assets				
- Other receivables	46	(46)	-	-
- Trade receivables	-	-	(569)	-
- Amount due from an associate	20	-	-	-
Interest expenses	357	510	1,069	1,495
Interest income	(11)	(12)	(20)	(25)
PPE written off	-	*	145	28
Deposit written off	-	1	-	-
Share of result of an associate	-	*	-	-
Unrealised loss on foreign exchange	218	-	213	52
Gain on disposal of a subsidiary	-	-	(720)	-
Operating profit before working capital changes	9,894	10,122	10,754	12,666
Changes in working capital:				
Decrease/(Increase) in inventories	943	(4,586)	2,438	(1,524)
(Increase)/Decrease in receivables	(1,910)	(4,855)	(5,422)	8,867
(Decrease)/Increase in payables	(6,262)	161	(889)	(1,750)
Increase in contract liabilities	-	-	146	1,661
Cash generated from operations	2,665	842	7,027	19,920
Tax refunded	-	189	-	7
Tax paid	(3,208)	(2,845)	(1,299)	(2,538)
Net cash (used in)/from operating activities	**(543)**	**(1,814)**	**5,728**	**17,389**
Investing activities				
Advances to an associate	(20)	(11)	(45)	(53)
(Advances to)/ Repayment from a company in which certain Directors have interest	-	-	(1)	3
Interest received	11	12	20	25
Net redemption from other investments	1,180	440	-	-
Purchase of PPE	(724)	(283)	(5,879)	(2,560)
Purchase of investment property	-	(176)	(2,767)	-
Proceeds from disposal of PPE	-	-	5	-
Proceeds from disposal of subsidiary, net of cash and cash equivalents	-	-	864	-

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Additional investment in an associate	-	*	-	-
Net cash from/(used in) investing activities	**447**	**(18)**	**(7,803)**	**(2,585)**
Financing activities				
(Repayment to)/Advances from Directors	(65)	*	(*)	-
Placement of fixed deposits pledged	(40)	(133)	(425)	(214)
Interest paid	(357)	(510)	(1,069)	(1,495)
Repayment of lease liabilities	(408)	(1,435)	(713)	(497)
Drawdown of borrowings	5,204	720	13,168	30,836
Repayment of borrowings	(1,267)	(596)	(604)	(24,519)
Movement of bank balances pledged	-	-	(166)	-
Net cash from/(used in) financing activities	**3,067**	**(1,954)**	**10,191**	**4,111**
Cash and cash equivalents				
Net increase/(decrease) in cash and cash equivalents	2,971	(3,786)	8,116	18,915
Cash and cash equivalents at the beginning of the financial year	696	3,667	(119)	7,997
Cash and cash equivalents at the end of the financial year	**3,667**	**(119)**	**7,997**	**26,912**

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and cash equivalents consist of:				
Cash and bank balances	3,646	1,297	9,777	28,240
Fixed deposits with licensed banks	505	639	1,037	1,251
Bank overdrafts	(4)	(1,442)	(1,613)	(1,161)
	4,147	494	9,201	28,330
Fixed deposits pledged with licensed banks	(480)	(613)	(1,037)	(1,251)
Cash and bank balances pledged with a licensed bank	-	-	(167)	(167)
	3,667	**(119)**	**7,997**	**26,912**

* Amount less than RM500.

12. FINANCIAL INFORMATION *(Cont'd)*

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and segmental analysis of our consolidated financial statements for the FYE 2022 to FYE 2025 should be read together with the Accountants' Report as set out in Section 13.

12.2.1 Overview of our operations

(a) Principal activities

Our Group is principally involved in the following:

(i) Processing and sale of RCEBN;
(ii) Trading of EBN; and
(iii) Sale of processed bird's nest products

In addition, we are also involved in the operations of health and personal care retail stores.

Please refer to Section 7 of this Prospectus for further details on our business segments, products and processing facilities.

(b) Revenue

Our Group's revenue is derived from the sale of our products. Revenue is recognised at a point in time upon delivery of goods and services and acceptance by the customer when significant risks and rewards of ownership of the goods has been transferred to the customer. Geographically, our revenue is derived mainly from China and Malaysia, and the currencies used are predominantly RMB and RM. In addition, for the FYE 2022 and FYE 2023, our Group had generated revenue from cleaning services which relates to labour fees charged to customers for cleaning of RUBN into RCEBN.

We also derive revenue from rental income which is earned from letting out of our investment property managed by a property management company and is recognised as and when the rental amount is received (after deducting a fee charged by the property management company) for the use or occupation of the investment property.

(c) Cost of sales

Our cost of sales from our bird's nest segment consists of purchases, direct labour, transportation charges and overheads while our cost of sales from our health and personal care segment consists of purchase cost of consumables and merchandises, and transportation charges.

(i) Raw materials

Our Group's raw materials for our bird's nest segment are mainly purchases of RUBN, packaging materials and third-party charges for the production of our processed bird's nest products. These raw materials are sourced locally from our pool of suppliers.

(ii) Labour costs

Labour costs comprise direct labour which are mainly salaries, wages, bonus and/or defined contribution plan of our employees.

12. FINANCIAL INFORMATION *(Cont'd)*

(iii) Transportation charges

Transportation charges consist of freight charges incurred mainly for the delivery of RCEBN to our foreign customers and health and personal care products to our local customers.

(iv) Overheads

Overheads consist mainly of depreciation of PPE and right-of-use assets in relation to our machineries and rented premises, utility expenses, permit charges to be obtained in connection with export procedures of RCEBN to our overseas customers, purchase of insurances relating to shipment of goods to our overseas customers as well as cost of laboratory testing to independent and certified laboratories relating to testing of samples of our RCEBN as part of export procedures.

(d) Other income

Other income comprises mainly gain on foreign exchange, fair value adjustment on investment properties and gain on disposal of a subsidiary.

(e) Selling and distribution expenses

Selling and distribution expenses consist mainly of costs incurred directly for sales and marketing functions such as advertising expenses, marketplace fees relating to e-commerce platforms and sales commission.

(f) Administrative expenses

Administrative expenses relate to costs incurred to maintain our business operations comprising mainly staff and related costs, directors' remuneration, depreciation expenses, professional fees and office expenses.

(g) Impairment losses/reversal on financial assets

Impairment losses on financial assets represents impairment loss on other receivables based on specific receivables that were credit impaired. Among the factors considered for credit risk include the historical payment trends and forward-looking information. Reversal on financial assets represents the collection received from trade and non-trade receivables previously impaired. For further details on the policy, please refer to note 32 of the Accountants' Report as set out in Section 13.

(h) Other expenses

Other expenses relate to expenses incurred which are not directly related to our operations comprising mainly loss on foreign exchange, PPE written off and penalties relating to late payment charges for income tax and under estimation of tax.

(i) Finance income

Interest income refers to interest income earned on bank balances and fixed deposits with licensed banks.

12. FINANCIAL INFORMATION *(Cont'd)*

(j) Finance costs

Finance costs comprise interest expenses charged on bankers' acceptances, term loans, bank overdrafts and lease liabilities.

(k) Recent developments

There were no significant events subsequent to our Group's audited consolidated financial statements for the FYE 2025 and there are no other significant events that may have a material effect on our financial position and results since the FYE 2025.

(l) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during the FYEs 2022 to 2025. In addition, our audited financial statements for the financial years under review were not subject to any audit qualifications.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.2.2 Review of our results of operations

(a) Revenue

Our revenue for the FYEs 2022 to 2025 was derived mainly from the sale of products under our bird's nest segment. The following tables set forth the breakdown of our revenue by business segment and geographical market.

(i) Analysis of revenue by business segment

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bird's nest	**108,474**	**96.0**	**118,888**	**98.8**	**143,919**	**98.5**	**156,791**	**99.0**
- Processing and sale of RCEBN	94,569	83.7	87,960	73.1	94,846	64.9	99,656	62.9
- Trading of EBN	13,573	12.0	30,089	25.0	48,810	33.4	55,978	35.3
• *RCEBN*	*10,701*	*9.5*	*9,457*	*7.9*	*5,422*	*3.7*	-	-
• *RUBN*	*2,872*	*2.5*	*20,632*	*17.1*	*43,388*	*29.7*	*55,978*	*35.3*
- Sale of processed bird's nest products	-	-	834	0.7	263	0.2	1,157	0.8
- Cleaning services	332	0.3	5	*	-	-	-	-
Health and personal care	**4,498**	**4.0**	**1,437**	**1.2**	**2,228**	**1.5**	**1,416**	**0.9**
Rental	**-**	**-**	**-**	**-**	**60**	*****	**175**	**0.1**
	112,972	**100.0**	**120,325**	**100.0**	**146,207**	**100.0**	**158,382**	**100.0**

Notes:

* Represents less than 0.1%.

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) Analysis of revenue by geographical market

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	7,702	6.8	22,909	19.0	45,940	31.4	57,561	36.4
China	103,777	91.9	96,696	80.4	98,433	67.4	99,416	62.8
Australia	925	0.8	704	0.6	914	0.6	216	0.1
Vietnam	-	-	-	-	900	0.6	1,000	0.6
Others(1)	568	0.5	16	*	20	*	189	0.1
	112,972	**100.0**	**120,325**	**100.0**	**146,207**	**100.0**	**158,382**	**100.0**

Notes:

* Represents less than 0.1%.

(1) Others refer to Taiwan, Hong Kong, Japan, New Zealand and USA.

(iii) Analysis of processing and sale of RCEBN and trading of EBN by volume and average selling price

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	Volume	Average selling price	Volume	Average selling price	Volume	Average selling price	Volume	Average selling price
	kg	RM/kg	kg	RM/kg	kg	RM/kg	kg	RM/kg
Processing and sale of RCEBN	**15,865**	**5,961**	**15,516**	**5,669**	**18,424**	**5,148**	**18,426**	**5,408**
• *China*	15,516		15,365		18,004		18,054	
• *Other countries*	349		151		420		372	
Recorded export quota to China	**15,520**		**15,735**		**18,426**		**18,426**	
Trading of EBN	**2,437**	**5,570**	**7,792**	**3,861**	**15,190**	**3,213**	**15,320**	**3,654**
• *RUBN*	*793*	*3,622*	*6,241*	*3,306*	*14,132*	*3,070*	*15,320*	*3,654*
• *RCEBN*	*1,644*	*6,509*	*1,551*	*6,097*	*1,058*	*5,125*	-	-

12. FINANCIAL INFORMATION *(Cont'd)*

Commentary on revenue

Our bird's nest segment was our largest revenue contributor, contributing 96.0%, 98.8%, 98.5% and 99.0% for the FYEs 2022, FYE 2023, FYE 2024 and FYE 2025 respectively. Within our bird's nest segment, processing and sales of RCEBN contributed 83.7%, 73.1%, 64.9% and 62.9% of our Group's total revenue, followed by trading of EBN which contributed 12.0%, 25.0%, 33.4% and 35.3% of our Group's total revenue for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively. Our health and personal care segment which commenced operations in December 2021, contributed 4.0%, 1.2%, 1.5% and 0.9% for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively while our rental segment relating to letting out of our investment property since the FYE 2024 contributed 0.1% for the FYE 2025.

Geographically, our Group's revenue is mainly derived from China, which accounted for between 62.8% and 91.9% of our Group's total revenue during the FYEs 2022 to 2025. Our revenue was also derived from Malaysia which contributed between 6.8% and 36.4% of our Group's total revenue for the FYE 2022 to FYE 2025 as well as from Australia, Vietnam, Taiwan, Hong Kong, Japan, New Zealand and the USA, collectively contributed less than 1.5% of our Group's total revenue for the FYE 2022 to FYE 2025.

Comparison between FYE 2022 and FYE 2023

Our revenue increased by RM7.36 million (6.5%) to RM120.33 million for the FYE 2023 (FYE 2022: RM112.97 million) due to the increase in revenue from our bird's nest segment of RM10.42 million. Such increase was however offset by the decrease of RM3.06 million in revenue contribution from our health and personal care segment.

In terms of geographical market, China was our largest market, contributing RM96.70 million (80.4%) of our Group's total revenue for the FYE 2023, a decrease by RM7.08 million (6.8%) as compared to RM103.78 million for the FYE 2022. Our revenue derived from Malaysia increased by RM15.21 million (197.5%) to RM22.91 million (FYE 2022: RM7.70 million) mainly due to higher revenue contribution from trading of EBN in the FYE 2023. Revenue derived from Australia and others collectively decreased by RM0.77 million (51.7%) to RM0.72 million (FYE 2022: RM1.49 million) due mainly to lower quantities of RCEBN sold to Australia and nil quantities sold to Taiwan.

Bird's nest

Revenue from our bird's nest segment increased by RM10.42 million (9.6%) to RM118.89 million for the FYE 2023 (FYE 2022: RM108.47 million). Such increase was mainly due to higher sales contribution from trading of EBN which increased by RM16.52 million (121.7%) from RM13.57 million in the FYE 2022 to RM30.09 million in the FYE 2023. In the FYE 2023, we traded a higher volume of 7,792 kg of EBN (FYE 2022: 2,437 kg). The significant increase in revenue from trading of EBN was due to our Group's strategy to create an additional revenue stream to trade RUBN in the domestic market as we have almost reached our quota to process and export RCEBN to China. For the FYE 2023, our export quota to process and sell RCEBN to China was 15,735 kg while our total RCEBN processing output was 15,516 kg.

Revenue from the sale of processed bird's nest products recorded an increase by RM0.83 million (100.0%) in the FYE 2023 (FYE 2022: nil). The revenue was due to increased marketing efforts to promote our newly launched 'Enest' brand of bottled bird's nest and 'Rejuvnest' health beverage to push awareness of the said products into the market.

Revenue from processing and sale of RCEBN however decreased by RM6.61 million (7.0%) to RM87.96 million in the FYE 2023 (FYE 2022: RM94.57 million). The decrease was due to a decrease in our average selling price of RCEBN by 4.9% as a result of lower average prices of raw materials i.e. RUBN. Prices of EBN are subject to fluctuations as a result of demand and supply conditions and our selling prices of RCEBN to our customers are adjusted to reflect the market prices of our RUBN supplies purchased. Our average selling price of RCEBN in the FYE 2023 was RM5,669 per kg (FYE 2022: RM5,961 per kg). The volume of processing and sale of RCEBN in the FYE 2023 of 15,516 kg was comparable to the volume of processing and sale of RCEBN in the FYE 2022 of 15,865 kg.

Revenue from cleaning services of RUBN into RCEBN decreased by RM0.33 million (98.5%) to approximately RM5,000 in the FYE 2023 (FYE 2022: RM0.33 million). The decrease was due to our Group phasing out our cleaning services to concentrate our labour resources for our own processing of RCEBN.

Health and personal care

Revenue from our health and personal care segment decreased by RM3.06 million (68.0%) in the FYE 2023 to RM1.44 million (FYE 2022: RM4.50 million). The decrease was due to lower quantities of COVID-19 test kits sold to corporate customers. During the FYE 2022, the majority of our revenue from health and personal care was generated from the sale of COVID-19 test kits. However, since April 2022, as Malaysia transitioned to the endemic phase with restrictions eased, there was lower demand for COVID-19 test kits. In view of the lower demand for COVID-19 test kits, in the FYE 2023 we increased offerings of various in-store health screening services (e.g. blood glucose test, blood pressure test, bone density test and weight analysis) and as such, revenue from our health and personal care segment for the FYE 2023 was substantially derived from processing fees of health screening services.

Comparison between FYE 2023 and FYE 2024

Our revenue increased by RM25.88 million (21.5%) to RM146.21 million for the FYE 2024 (FYE 2023: RM120.33 million) due mainly to contribution from our bird's nest and health and personal care segments. In addition, there was also a minor contribution of rental income from the letting out of our investment property located at Menara TR-Tropicana, Kuala Lumpur.

In terms of geographical market, China remained our largest market, contributing RM98.43 million (67.4%) of our Group's total revenue for the FYE 2024 (FYE 2023: RM96.70 million (80.4%)) which was attributable to contribution from the processing and sale of RCEBN. Although contribution from China in percentage terms decreased, in value terms, contribution from China still increased by RM1.73 million. Revenue from Malaysia also increased by RM23.03 million (100.5%) to RM45.94 million in the FYE 2024 (FYE 2023: RM22.91 million) due to higher revenue contribution from trading of EBN. Revenue derived from Australia, Vietnam, others collectively increased by RM1.11 million (154.2%) to RM1.83 million (FYE 2023: RM0.72 million) due mainly to higher quantities of RCEBN sold to Australia and Vietnam.

12. FINANCIAL INFORMATION *(Cont'd)*

Bird's nest

Revenue from our bird's nest segment increased by RM25.03 million (21.1%) to RM143.92 million for the FYE 2024 (FYE 2023: RM118.89 million). Such increase was mainly due to higher sales contribution from trading of EBN which increased by RM18.72 million (62.2%) to RM48.81 million (FYE 2023: RM30.09 million). In the FYE 2024, we traded 15,190 kg of EBN (FYE 2023: 7,792 kg). The increase in revenue from trading of EBN was due to increased orders of RUBN from our customers.

Revenue from processing and sale of RCEBN increased by RM6.89 million (7.8%) to RM94.85 million in the FYE 2024 (FYE 2023: RM87.96 million). Such increase was mainly due to an increase in volume of RCEBN processed and sold. For the FYE 2024, we processed and sold 18,424 kg of RCEBN (FYE 2023: 15,516 kg), of which we exported 18,004 kg to China (FYE 2023: 15,365 kg) after receiving approval for the increase in our processing and export quota of RCEBN to China at the end of the third quarter of 2024.

Revenue from sales of processed bird's nest products decreased by RM0.57 million (68.7%) to RM0.26 million in the FYE 2024 (FYE 2023: RM0.83 million) mainly due to lower quantities of bottled bird's nest and 'Rejuvnest' health beverage sold arising from less marketing and promotional activities for our processed bird's nest products.

There was no revenue from cleaning services of RUBN into RCEBN reported in the FYE 2024 (FYE 2023: RM5,000) as our Group had phased out our cleaning services to concentrate our labour resources for our own processing of RCEBN since the FYE 2023.

Health and personal care

Revenue from our health and personal care segment increased marginally by RM0.79 million (54.9%) to RM2.23 million in the FYE 2024 (FYE 2023: RM1.44 million) due to higher quantities of health and personal care merchandises sold through e-commerce platforms.

Rental

Our rental segment recorded RM0.06 million in revenue for the FYE 2024, relating to letting out of our investment property.

Comparison between FYE 2024 and FYE 2025

Our revenue increased by RM12.17 million (8.3%) to RM158.38 million for the FYE 2025 (FYE 2024: RM146.21 million) due mainly to contribution from our bird's nest segment. In addition, there was also a minor contribution of rental income from the letting out of our investment property located at Menara TR-Tropicana, Kuala Lumpur. The increase in revenue from our bird's nest and rental segments were partially offset by the decrease in revenue from our health and personal care segment of RM0.81 million.

In terms of geographical market, China remained our largest market, contributing RM99.42 million (62.8%) of our Group's total revenue for the FYE 2025 (FYE 2024: RM98.43 million (67.4%). Revenue from Malaysia increased by RM11.62 million (25.3%) to RM57.56 million in the FYE 2025 (FYE 2024: RM45.94 million) due to higher revenue contribution from trading of EBN. Revenue derived from other countries (other than China and Malaysia) collectively decreased by RM0.42 million (23.0%) to RM1.41 million (FYE 2024: RM1.83 million) due to lower quantities of RCEBN sold to Australia.

12. FINANCIAL INFORMATION *(Cont'd)*

Bird's nest

Revenue from our bird's nest segment increased by RM12.87 million (8.9%) to RM156.79 million for the FYE 2025 (FYE 2024: RM143.92 million). Such increase was mainly due to higher sales contribution from trading of EBN which increased by RM7.17 million (14.7%) to RM55.98 million in the FYE 2025 (FYE 2024: RM48.81 million). In the FYE 2025, we traded 15,320 kg of EBN (FYE 2024: 15,190 kg). The increase in revenue from trading of EBN was mainly due to the increase in the average selling price of RUBN, which increased from RM3,213 per kg in the FYE 2024 to RM3,654 per kg in the FYE 2025. Revenue from trading of EBN for FYE 2025 was solely derived from trading of RUBN. There was nil revenue contribution from trading of RCEBN in FYE 2025 (FYE 2024: RM5.42 million and 1,058 kg of RCEBN).

Revenue from processing and sale of RCEBN increased by RM4.81 million (5.1%) to RM99.66 million (FYE 2024: RM94.85 million). Such increase was mainly due to the increase in the average selling price of RCEBN processed, which increased from RM5,148 per kg in the FYE 2024 to RM5,408 per kg in the FYE 2025. For the FYE 2025, we processed and sold 18,426 kg of RCEBN (FYE 2024: 18,424 kg), of which we exported 18,054 kg to China (FYE 2024: 18,004 kg).

Revenue from sales of processed bird's nest products increased by RM0.90 million (346.2%) to RM1.16 million in the FYE 2025 (FYE 2024: RM0.26 million) mainly due to higher quantities of bottled bird's nest sold.

Health and personal care

Revenue from our health and personal care segment decreased by RM0.81 million (36.3%) to RM1.42 million in the FYE 2025 (FYE 2024: RM2.23 million) due to lower quantities of health and personal care merchandises sold.

Rental

Revenue from our rental segment increased by RM0.12 million (200.0%) to RM0.18 million in the FYE 2025 (FYE 2024: RM0.06 million) due to rental revenue for the full year from letting out of our investment property. Our Group lets out of our investment property since November 2024.

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12. FINANCIAL INFORMATION *(Cont'd)*

(b) Cost of sales, GP and GP margin

Our Group's cost of sales comprises mainly purchases, direct labour cost, transportation cost and overheads. Purchases which represent 96.6%, 90.6%, 90.9% and 95.8% of our Group's cost of goods sold for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively is our main cost component, comprising raw materials, packaging materials, consumables and merchandises. Please refer to Section 7.13 for further information on our major suppliers.

(i) Analysis of cost of sales by cost items

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Purchases	95,454	96.6	95,413	90.6	119,151	90.9	135,422	95.8
Labour costs	1,304	1.3	8,224	7.8	10,416	7.9	4,886	3.4
Transportation costs	1,231	1.2	884	0.8	652	0.5	287	0.2
Overheads	866	0.9	842	0.8	933	0.7	784	0.6
	98,855	**100.0**	**105,363**	**100.0**	**131,152**	**100.0**	**141,379**	**100.0**

(ii) Analysis of cost of sales by business segment and their respective cost components

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Bird's nest								
Processing & sale of RCEBN								
• Raw materials								
- RCEBN	*61,402*	*62.1*	*-*	*-*	*-*	*-*	*-*	*-*
- RUBN	*17,785*	*18.0*	*65,506*	*62.2*	*70,585*	*53.8*	*80,100*	*56.7*
- Packaging materials	*648*	*0.7*	*550*	*0.5*	*505*	*0.4*	*306*	*0.2*
	79,835	80.8	66,056	62.7	71,090	54.2	80,406	*56.9*
• Labour	1,039	1.0	8,166	7.7	10,399	7.9	4,857	3.4
• Overheads	866	0.9	838	0.8	907	0.7	752	0.5
• Transportation costs	896	0.9	583	0.6	335	0.3	228	0.2
Sub-total	***82,636***	***83.6***	***75,643***	***71.8***	***82,731***	***63.1***	**86,243**	**61.0**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Trading of EBN								
• Purchases	12,651	12.8	28,498	27.0	46,526	35.5	53,634	37.9
- *RCEBN*	*9,954*	*10.1*	*8,883*	*8.4*	*5,166*	*4.0*	*-*	*-*
- *RUBN*	*2,697*	*2.7*	*19,615*	*18.6*	*41,360*	*31.5*	*53,634*	*37.9*
• Transportation costs	330	0.3	283	0.3	311	0.3	45	0.1
Sub-total	***12,981***	***13.1***	***28,781***	***27.3***	***46,837***	***35.8***	**53,679**	**38.0**
Sales of processed bird's nest products								
Purchases	-	-	557	0.5	174	0.1	768	0.6
Packaging materials	-	-	12	*	1	*	13	*
Labour	-	-	53	0.1	17	*	29	*
Overheads	-	-	4	*	2	*	8	*
Transportation costs	-	-	11	*	4	*	12	*
Sub-total	***-***	***-***	***637***	***0.6***	***198***	***0.1***	***830***	***0.6***
Cleaning fees	***265***	***0.3***	***5***	*******	***-***	***-***	***-***	***-***
Bird's nest sub-total	**95,882**	**97.0**	**105,066**	**99.7**	**129,766**	**99.0**	**140,752**	**99.6**
Health and personal care								
• Purchases	2,966	3.0	284	0.3	1,357	1.0	587	0.4
• Packaging materials	2	*	6	*	3	*	14	*
• Transportation costs	5	*	7	*	2	*	2	*
Health and personal care sub-total	**2,973**	**3.0**	**297**	**0.3**	**1,362**	**1.0**	**603**	**0.4**
Rental	**-**	**-**	**-**	**-**	**24**	*****	**24**	*****
Total cost of sales	**98,855**	**100.0**	**105,363**	**100.0**	**131,152**	**100.0**	**141,379**	**100.0**

Note:

* Represents less than 0.1%

12. FINANCIAL INFORMATION *(Cont'd)*

(iii) Analysis of processing and sale of RCEBN and trading of EBN by volume and average cost

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	Volume	Average cost	Volume	Average cost	Volume	Average cost	Volume	Average cost
	kg	RM/kg	kg	RM/kg	kg	RM/kg	kg	RM/ kg
Processing and sale of RCEBN	**15,865**	**5,209**	**15,516**	**4,875**	**18,424**	**4,490**	**18,426**	**4,681**
Trading of EBN	**2,437**	**5,327**	**7,792**	**3,694**	**15,190**	**3,083**	**15,320**	**3,504**
• *RUBN*	*793*	3,476	*6,241*	3,165	*14,132*	2,947	*15,320*	3,504
• *RCEBN*	*1,644*	6,220	*1,551*	5,822	*1,058*	4,912	-	-

(iv) Analysis of GP and GP margin by business segment

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bird's nest	**12,592**	**11.6**	**13,822**	**11.6**	**14,153**	**9.8**	**16,039**	**10.2**
- Processing and sale of RCEBN	11,933	12.6	12,317	14.0	12,115	12.8	13,413	13.5
- Trading of EBN	592	4.4	1,308	4.4	1,973	4.0	2,299	4.1
• *RCEBN*	*476*	*4.4*	*428*	*4.5*	*224*	*4.1*	-	-
• *RUBN*	*116*	*4.0*	*880*	*4.3*	*1,749*	*4.0*	*2,299*	*4.1*
- Sales of processed bird's nest products	-	-	197	23.6	65	24.7	327	28.3
- Cleaning services	67	20.2	-	-	-	-	-	-
Health and personal care	**1,525**	**33.9**	**1,140**	**79.3**	**866**	**38.9**	**813**	**57.4**
Rental	**-**	**-**	**-**	**-**	**36**	**60.0**	**151**	**86.3**
Overall	**14,117**	**12.5**	**14,962**	**12.4**	**15,055**	**10.3**	**17,003**	**10.7**

12. FINANCIAL INFORMATION *(Cont'd)*

Commentary on cost of sales, GP and GP margin

Comparison between FYE 2022 and FYE 2023

Our overall cost of sales increased by RM6.50 million (6.6%) to RM105.36 million in the FYE 2023 (FYE 2022: RM98.86 million) due mainly to the increase in labour costs by RM6.92 million (532.3%) to RM8.22 million in the FYE 2023 (FYE 2022: RM1.30 million) mainly arising from the recognition of the full year salaries' costs of foreign employees which were recruited in the last quarter of 2022. Our Group recruited 237 new foreign employees in the last quarter of 2022 and subsequently recruited a total of 257 new foreign employees throughout the FYE 2023. The increase in the overall cost of sales was partially offset by a decrease in transportation costs by RM0.35 million (28.5%) to RM0.88 million in the FYE 2023 (FYE 2022: RM1.23 million) due to lower freight rates for export sales arising from a change to a new logistic company.

Our overall GP increased by RM0.84 million (5.9%) from RM14.12 million in the FYE 2022 to RM14.96 million in the FYE 2023. This increase was attributable to the increase in the GP contribution from our bird's nest segment of RM1.23 million but was however offset by the decrease in GP contribution from our health and personal care segment by RM0.39 million in the FYE 2023. Our overall GP margin was consistent at 12.4% in the FYE 2023 (FYE 2022: 12.5%).

Bird's nest

Cost of sales from our bird's nest segment was the main contributor to our overall cost of sales for the FYE 2022 and FYE 2023, which accounted for 97.0% and 99.7% of our overall cost of sales.

Cost of sales from our bird's nest segment increased by RM9.19 million (9.6%) to RM105.07 million in the FYE 2023 (FYE 2022: RM95.88 million) mainly attributable to the increase in the cost of sales from trading of EBN. As the increase in cost of sales from our bird's nest segment was in tandem with revenue growth from our bird's nest segment of 9.6%, GP margin from our bird's nest segment remained consistent at 11.6% in the FYE 2023 (FYE 2022: 11.6%).

The increase/decrease in cost of sales, GP and GP margin by business activity is due to the following:

(i) Increase in the cost of sales from trading of EBN by RM15.80 million (121.7%) to RM28.78 million driven by an increase in the purchase of EBN, in line with our strategy to create an additional revenue stream to trade EBN in the domestic market. This was also in line with the increase in the revenue from trading of EBN by 121.7% and the sales volume of EBN which increased to 7,792 kg (FYE 2022: 2,437 kg) as more purchases were required to meet the increase in demand from our customers. As the growth rate of cost of sales was approximately the same as the growth rate of revenue from our trading of EBN, resulting in GP increasing by RM0.72 million from RM0.59 million to RM1.31 million, GP margin remained consistent at 4.4%;

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) We recorded cost of sales of RM0.64 million for our processed bird's nest products mainly due to third-party charges incurred for the formulation of our processed bird's nest products, a relatively new downstream business activity for our Group in the FYE 2023. As such, our bottled bird's nest and collagen peptide beverage 'Rejuvnest' health beverage which are ready-to-eat products reported a GP margin of 23.6%; and

(iii) Decrease in cost of sales of our processing and sale of RCEBN which decreased by RM7.00 million (8.5%) to RM75.64 million in the FYE 2023 (FYE 2022: RM82.64 million). For the FYE 2023, we purchased and processed RUBN supplies into RCEBN as compared to the FYE 2022 where our Group purchased RCEBN from third parties and exported them after additional processing for packaging. This was due to the inability to recruit sufficient local employees despite recruitment efforts. Our Group was only able to recruit foreign employees to process RCEBN in the last quarter of 2022 after the re-opening of our borders. Arising from processing our own RCEBN for export, this lowered our average costs of raw materials and GP margin increased to 14.0% in the FYE 2023 (FYE 2022: 12.6%).

Health and personal care

Cost of sales from our health and personal care segment decreased by RM2.67 million (89.9%) to RM0.30 million in the FYE 2023 (FYE 2022: RM2.97 million). Such decrease was primarily due to the lower quantities of COVID-19 test kits sold and an increase in our offerings of in-store health screening services where we incurred minimal cost of sales during the FYE 2023. As such, GP margin increased significantly from 33.9% in the FYE 2022 to 79.3% in the FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our overall cost of sales increased by RM25.79 million (24.5%) to RM131.15 million in the FYE 2024 (FYE 2023: RM105.36 million) due mainly to the following:

(i) increase in purchases by RM23.74 million (24.9%) from RM95.41 million in the FYE 2023 to RM119.15 million in the FYE 2024 arising from the increase in the volume of RUBN purchased for processing and sale of RCEBN and trading of EBN; and

(ii) increase in labour costs by RM2.20 million (26.8%) from RM8.22 million in the FYE 2023 to RM10.42 million in the FYE 2024, arising from the recognition for the full year salaries' costs of foreign employees which were recruited throughout 2023.

Due to the higher increase in our overall cost of sales by 24.5% as compared to the 21.5% increase in our overall revenue, our overall GP margin decreased from 12.4% in the FYE 2023 to 10.3% in the FYE 2024.

Our total GP increased by RM0.10 million (0.7%) from RM14.96 million in the FYE 2023 to RM15.06 million in the FYE 2024. This increase was attributable to the increase in the GP contribution from our bird's nest segment by RM0.33 million but was offset by the decrease in GP contribution from our health and personal care segment by RM0.27 million in the FYE 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

Bird's nest

Our cost of sales from our bird's nest segment was the main contributor to the total cost of sales for the FYE 2023 and FYE 2024, which accounted for 99.7% and 99.0% of our total cost of sales for the FYE 2023 and FYE 2024, respectively.

Our cost of sales from our bird's nest segment increased by RM24.70 million (23.5%) from RM105.07 million in the FYE 2023 to RM129.77 million in the FYE 2024 mainly due to the increases in the cost of sales from processing and sale of RCEBN and trading of EBN. As the increase in cost of sales of our bird's nest segment was higher than the revenue growth rate, GP margin from our bird's nest segment decreased to 9.8% in the FYE 2024 (FYE 2023: 11.6%). This was mainly attributable to the lower selling prices of EBN as further explained in the paragraphs below.

The increase/decrease in cost of sales, GP and GP margin by business activity is due to the following:

(i) Increase in the cost of sales from trading of EBN by RM18.06 million (62.8%) from RM28.78 million to RM46.84 million, driven by an increase in the purchase of EBN due to the increased orders from our customers. This was also in line with the increase in the revenue of our trading of EBN by 62.2% and the sales volume of EBN which increased to 15,190 kg (FYE 2023: 7,792 kg). GP margin declined to 4.0% (FYE 2023: 4.4%) due to stiffer competition in the selling prices of EBN where the average selling prices of EBN decreased by more than the decrease in the average cost price. In addition, for the FYE 2024, there was a higher proportion of sales in trading of RUBN which has slightly lower GP margin as compared to trading of RCEBN.

(ii) Increase in the cost of sales from processing and sale of RCEBN by RM7.09 million (9.4%) driven by an increase in the cost of RUBN supplies and labour cost due to our increased quota for processing and export of RCEBN to China where our total sales volume for processing and sale of RCEBN increased to 18,424 kg in the FYE 2024 (FYE 2023: 15,516 kg). GP reduced to RM12.12 million and GP margin reduced to 12.8% (FYE 2023: RM12.32 million; 14.0%). The decrease in GP margin was mainly due to competitive pricing in the selling prices of RCEBN where the average selling price of RCEBN decreased by more than the average cost to process RCEBN to avoid losing customers. Although raw material price of RUBN decreased, the increase in labour cost due to the recognition of the full year salaries' costs of foreign employees recruited throughout 2023 had partially offset the decline in the decrease in average cost.

(iii) decrease in the cost of sales from processed bird's nest products by RM0.44 million (68.8%) from RM0.64 million in the FYE 2023 to RM0.20 million in the FYE 2024. This decrease was attributable to lower quantities of processed bird's nest products sold as a result of less marketing and promotional activities for our processed bird's nest products. Despite the lower sales, GP margin increased from 23.6% in the FYE 2023 to 24.7% in the FYE 2024. This was because less discounts were given to customers.

12. FINANCIAL INFORMATION *(Cont'd)*

Health and personal care

Our cost of sales from our health and personal care segment increased by RM1.06 million (353.3%) to RM1.36 million in the FYE 2024 (FYE 2023: RM0.30 million). The increase was due to higher purchases of consumables and merchandises as compared to the health screening services offered in the FYE 2023 which had a higher GP margin. As a result, GP margin decreased from 79.3% in the FYE 2023 to 38.9% in the FYE 2024.

Rental

GP and GP margin from rental of property was RM0.04 million and 60.0%, respectively in the FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our overall cost of sales increased by RM10.23 million (7.8%) to RM141.38 million in the FYE 2025 (FYE 2024: RM131.15 million) due to the increase in purchases by RM16.27 million (13.7%) from RM119.15 million in the FYE 2024 to RM135.42 million in the FYE 2025 arising from the increase in the average cost price for RUBN in the FYE 2025.

The increase in overall cost of sales was partially offset by the decrease in labour costs by RM5.53 million (53.1%) from RM10.42 million in the FYE 2024 to RM4.89 million in the FYE 2025, arising from lower salaries for employees due to reduced number of headcount in the FYE 2025. Further, our transportation costs decreased by RM0.36 million (55.4%) as our Group settled in cash to enjoy lower rates as compared to payment by way of credit.

Due to the lower increase in our overall cost of sales by 7.8% as compared to the 8.3% increase in our revenue, our overall GP margin increased from 10.3% in the FYE 2024 to 10.7% in the FYE 2025.

Our total GP increased by RM1.94 million (12.9%) from RM15.06 million in the FYE 2024 to RM17.00 million in the FYE 2025. This increase was mainly attributable to the increase in the GP contribution from our bird's nest segment by RM1.89 million.

Bird's nest

Cost of sales from our bird's nest segment was the main contributor to the total cost of sales for the FYE 2024 and FYE 2025, which accounted for 99.0% and 99.6% of our overall cost of sales.

Cost of sales from our bird's nest segment increased by RM10.98 million (8.5%) from RM129.77 million in the FYE 2024 to RM140.75 million in the FYE 2025 mainly due to the increase in the cost of sales from processing and sale of RCEBN and trading of RUBN. As the increase in cost of sales of our bird's nest segment was lower than the increase in revenue, GP margin from our bird's nest segment increased to 10.2% in the FYE 2025 (FYE 2024: 9.8%). This was mainly attributable to the higher selling prices of EBN as further explained in the paragraphs below.

12. FINANCIAL INFORMATION *(Cont'd)*

The increase/decrease in cost of sales, GP and GP margin by business activity is due to the following:

(i) Increase in the cost of sales from processing and sale of RCEBN by RM3.51 million (4.2%) driven by an increase in the cost of RUBN supplies arising from the increase in average cost price of RUBN purchased, from RM4,490 per kg in the FYE 2024 to RM4,681 per kg in the FYE 2025. The increase in the cost of purchases of RUBN was partially offset mainly by the decrease in labour cost due to the reduction in headcount in the FYE 2025. As a result, the GP and GP margin increased to RM13.41 million and 13.5% in the FYE 2025 respectively (FYE 2024: RM12.12 million; 12.8%).

(ii) Increase in the cost of sales from trading of EBN by RM6.84 million (14.6%), due to the increase in the average cost price of RUBN supplies. We did not incur any purchase cost of RCEBN for the FYE 2025. GP margin of 4.1% in the FYE 2025 approximates the GP margin of 4.0% in the FYE 2024.

(iii) Increase in the cost of sales from processed bird's nest products by RM0.63 million (315.0%) from RM0.20 million in the FYE 2024 to RM0.83 million in the FYE 2025. This increase was attributable to higher quantities of processed bird's nest products sold and GP increased to RM0.33 million (FYE 2024: RM0.07 million). GP margin in the FYE 2025 increased to 28.3% (FYE 2024: 24.7%) as our Group did not give discounts to customers for our processed bird's nest products.

Health and personal care

Our cost of sales from our health and personal care segment decreased by RM0.76 million (55.9%) to RM0.60 million in the FYE 2025 (FYE 2024: RM1.36 million). The decrease was due to lower purchases of consumables and merchandises. GP margin increased from 38.9% in the FYE 2024 to 57.4% in the FYE 2025 due to larger sales volume of higher margin products such as 4 ply disposal surgical masks and surgical gloves.

Rental

GP and GP margin from rental of property increased to RM0.15 million and 86.3%, respectively in the FYE 2025 (FYE 2024: RM0.04 million and 60.0%). This was due to the full year rental revenue contribution from letting out of our investment property in the FYE 2025 as compared to the 2-month rental revenue contribution recorded in the FYE 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

(c) Other income

The breakdown of our other income for the FYEs 2022 to 2025 is as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Fair value adjustment on investment properties	194	12.4	49	14.1	912	53.2	550	83.8
Gain on early termination of lease contracts	1	0.1	1	0.2	38	2.2	2	0.3
Gain on remeasurement of lease contracts	10	0.6	-	-	-	-	-	-
Gain on disposal of subsidiary	-	-	-	-	720	42.0	-	-
Dividend income from other investments[(1)]	25	1.6	10	2.9	1	0.1	*	^
Realised gain on foreign exchange	1,230	78.5	246	70.7	-	-	-	-
Others[(2)]	107	6.8	42	12.1	42	2.5	104	15.9
	1,567	**100.0**	**348**	**100.0**	**1,713**	**100.0**	**656**	**100.0**

Notes:

* Represents less than RM500.
^ Represents less than 0.1%.

(1) Dividend income from other investments refers to investment in unit trust. Any changes in the market value of the unit trust is recognised in the statement of profit or loss.

(2) Others include mainly (1) wage subsidies from the Wage Subsidy Programme introduced in 2020 as part of the Government's COVID-19 economic stimulus package; (2) tax incentive granted by the Government of China for small and low-profit enterprises; (3) claims from Human Resource Development Corporation in relation to staff trainings; (4) sponsorship by customers and/or suppliers for our annual dinner; and (5) reimbursable grant, which amounted to RM0.07 million from Malaysia External Trade Development Corporation (MATRADE) for costs incurred for trade fairs and exhibitions in FYE 2025.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2022 and FYE 2023

Other income decreased by RM1.22 million (77.7%) to RM0.35 million in the FYE 2023 (FYE 2022: RM1.57 million). Such decrease was mainly due to lower realised gain on foreign exchange of RM0.98 million. The lower gain on foreign exchange was due to the volatility within an overall narrow trading range of the RM against the RMB during the FYE 2023 as compared to the FYE 2022.

Comparison between FYE 2023 and FYE 2024

Other income increased by RM1.36 million (388.6%) to RM1.71 million in the FYE 2024 (FYE 2023: RM0.35 million) mainly due to the fair value gain recognised on a serviced apartment located at Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur classified as investment property and gain on disposal of a former subsidiary, Martell Swiftlets Sdn Bhd which was principally involved in swiftlet farming, sale of RUBN and investment of farming activities. The disposal of our subsidiary was undertaken as part of the reorganisation of our Group.

Comparison between FYE 2024 and FYE 2025

Other income decreased by RM1.05 million (61.4%) to RM0.66 million in the FYE 2025 (FYE 2024: RM1.71 million) due mainly to the absence of gain on disposal of a former subsidiary, Martell Swiftlets Sdn Bhd and lower fair value gain recognised on a serviced apartment located at Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur of RM0.55 million which was classified as an investment property.

(d) Selling and distribution expenses

The breakdown of our selling and distribution expenses for the FYEs 2022 to 2025 is as follows:

	Audited							
	FYE 2022		**FYE 2023**		**FYE 2024**		**FYE 2025**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Advertisement expenses	99	35.1	18	8.5	15	11.7	30	29.4
Sales commission	3	1.1	17	8.1	14	10.9	19	18.6
Marketing expenses	180	63.8	176	83.4	99	77.4	53	52.0
	282	**100.0**	**211**	**100.0**	**128**	**100.0**	**102**	**100.0**

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2022 and FYE 2023

Selling and distribution expenses decreased by approximately RM0.07 million (25.0%) to RM0.21 million in the FYE 2023 (FYE 2022: RM0.28 million) mainly due to a decrease in advertisement expenses on social media platforms.

Comparison between FYE 2023 and FYE 2024

Selling and distribution expenses further decreased by approximately RM0.08 million (38.1%) to RM0.13 million in the FYE 2024 (FYE 2023: RM0.21 million). Such decrease was mainly due to lower marketing expenses relating to marketplace fees on e-commerce platforms.

Comparison between FYE 2024 and FYE 2025

Selling and distribution expenses decreased by RM0.03 million (23.1%) to RM0.10 million in the FYE 2025 (FYE 2024: RM0.13 million) mainly due to lower marketing expenses relating to marketplace fees on e-commerce platforms.

(e) Administrative expenses

The breakdown of our administrative expenses for the FYEs 2022 to 2025 is as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs[1]	2,120	34.8	2,607	44.6	2,031	45.9	1,626	37.5
Depreciation	656	10.8	646	11.0	543	12.3	430	9.9
Office expenses	440	7.2	710	12.1	445	10.0	352	8.1
Directors' remuneration	331	5.4	360	6.1	308	7.0	227	5.2
Professional fees[2]	455	7.5	392	6.7	339	7.7	537	12.4
Travelling and accommodation	145	2.4	341	5.8	187	4.2	480	11.1
Upkeep and maintenance	204	3.4	311	5.3	181	4.1	260	6.0
Insurance	136	2.2	210	3.6	109	2.5	83	1.9
Utilities	75	1.2	85	1.5	87	2.0	168	3.9
Rental expenses[3]	126	2.1	138	2.4	82	1.8	56	1.3
Others[4]	1,403	23.0	54	0.9	113	2.5	119	2.7
	6,091	**100.0**	**5,854**	**100.0**	**4,425**	**100.0**	**4,338**	**100.0**

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

(1) Staff costs include staff salaries, allowances, bonus, insurances, statutory contribution, medical fees, uniform and staff welfare.

(2) Professional fees include company secretary fees, audit fees, legal fees (in relation to banking facilities and agreements) and tax advisory fees.

(3) Rental expenses include rental of offices and office equipment.

(4) Others include bank charges, service taxes as well as one-off levy fees of RM1.30 million paid in the FYE 2022 for the recruitment of new foreign employees.

Comparison between FYE 2022 and FYE 2023

Administrative expenses decreased by RM0.24 million (3.9%) to RM5.85 million in the FYE 2023 (FYE 2022: RM6.09 million). Such decrease was mainly due to a decrease in other expenses by RM1.35 million (96.4%) mainly due to the absence of the one-off levy fees of RM1.30 million paid in the FYE 2022 for the recruitment of new foreign employees.

Such decrease was offset by the increase in the following items:

(i) increase in staff costs by RM0.49 million (23.1%) from RM2.12 million in the FYE 2022 to RM2.61 million in the FYE 2023 mainly due to annual salary increments to existing employees and the recruitment of 3 new marketing employees to increase marketing efforts and awareness of our new processed bird's nest products;

(ii) increase in office expenses by RM0.27 million (61.4%) from RM0.44 million in the FYE 2022 to RM0.71 million in the FYE 2023 mainly due to the increase in small value assets of less than RM1,000 each (i.e. canteen table, cabinets and office equipment);

(iii) increase in travelling and accommodation expenses by RM0.19 million (126.7%) from RM0.15 million in the FYE 2023 to RM0.34 million in the FYE 2023, mainly incurred for marketing and promotional activities undertaken in the FYE 2023;

(iv) increase in upkeep and maintenance by RM0.11 million (55.0%) from RM0.20 million in the FYE 2022 to RM0.31 million in the FYE 2023 mainly due to ceiling work repairs for our Batu Caves Facility.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2023 and FYE 2024

Administrative expenses decreased by RM1.42 million (24.3%) to RM4.43 million in the FYE 2024 (FYE 2023: RM5.85 million). Such decrease was mainly due to the following:

(i) decrease in staff costs by RM0.58 million (22.2%) from RM2.61 million in the FYE 2023 to RM2.03 million in the FYE 2024, mainly due to a new employee claim practice implemented in the FYE 2024 to manage and tighten employees' claims for various expenses and allowances as well as the decrease in the number of employees by 12 employees in the FYE 2024;

(ii) decrease in office expenses by RM0.26 million (36.6%) from RM0.71 million in the FYE 2023 to RM0.45 million in the FYE 2024 mainly due to the absence of acquisition of small value assets which were recorded in the FYE 2023.

(iii) decrease in travelling and accommodation by RM0.15 million (44.1%) from RM0.34 million in the FYE 2023 to RM0.19 million in the FYE 2024, mainly due to reduced promotional and marketing activities as a result of fewer marketing personnel in the FYE 2024; and

(iv) decrease in depreciation by RM0.11 million (16.9%) from RM0.65 million in the FYE 2023 to RM0.54 million in the FYE 2024, mainly attributable to 1 unit of motor vehicle having been fully depreciated in the FYE 2023.

Comparison between FYE 2024 and FYE 2025

Administrative expenses decreased by RM0.09 million (2.0%) to RM4.34 million in the FYE 2025 (FYE 2024: RM4.43 million). Such decrease was mainly due to the following:

(i) decrease in staff costs by RM0.40 million (19.7%) from RM2.03 million in the FYE 2024 to RM1.63 million in the FYE 2025, mainly due to the decrease in staff welfare and lower number of employees in the FYE 2025 as compared to the FYE 2024;

(ii) decrease in depreciation by RM0.11 million (20.4%) from RM0.54 million in the FYE 2024 to RM0.43 million in the FYE 2025, mainly attributable to certain property, plant and equipment having been fully depreciated in the FYE 2024; and

(iii) decrease in directors' remuneration by RM0.08 million (25.8%) from RM0.31 million in the FYE 2024 to RM0.23 million in the FYE 2025, mainly attributable to lower directors' salaries as a result of the retirement of Tan Heng Guan in May 2025.

12. FINANCIAL INFORMATION *(Cont'd)*

The decrease in administrative expenses was partially offset by the increase in the following items:

(i) increase in travelling and accommodation by RM0.29 million (152.6%) from RM0.19 million in the FYE 2024 to RM0.48 million in the FYE 2025, mainly due to the increased travel to visit our customers and suppliers for customer and supplier engagements; and

(ii) increase in professional fees by RM0.20 million (58.8%) from RM0.34 million in the FYE 2024 to RM0.54 million in the FYE 2025, due mainly to consulting fees of RM0.10 million for re-training in bird's nest harvesting and picking devices as well as professional fees of RM0.06 million in relation to our Listing.

(f) Impairment loss/(Reversal) on financial assets

The breakdown of our impairment loss/(reversal) on financial assets is as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Impairment loss on:								
- amount due from an associate	20	30.3	-	-	-	-	-	-
- other receivables	46	69.7	-	-	-	-	-	-
Reversal on:								
- other receivables	-	-	(46)	100.0	-	-	-	-
- trade receivables	-	-	-	-	(569)	100.0	-	-
	66	**100.0**	**(46)**	**100.0**	**(569)**	**100.0**	**-**	**-**

Comparison between FYE 2022 and FYE 2023

In the FYE 2023, there was reversal on the impairment loss on other receivables of RM0.05 million from Martell Development Sdn Bhd upon subsequent receipt of amount.

Comparison between FYE 2023 and FYE 2024

In the FYE 2024, there was reversal on the impairment loss on trade receivables of RM0.57 million from one of our customers from China upon subsequent receipt of the amount.

12. FINANCIAL INFORMATION *(Cont'd)*

(g) Other expenses

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Unrealised loss on foreign exchange	218	66.7	-	-	213	19.4	52	5.4
Realised loss on foreign exchange	24	7.3	-	-	530	48.2	853	88.1
PPE written off	-	-	*	^	145	13.2	28	2.9
Deposit written off	-	-	2	3.5	-	-	-	-
Deposit forfeited	-	-	-	-	6	0.5	-	-
Penalties	85	26.0	55	96.5	205	18.7	35	3.6
	327	**100.0**	**57**	**100.0**	**1,099**	**100.0**	**968**	**100.0**

Notes:

* Less than RM500.
^ Represents less than 0.1%.

Comparison between FYE 2022 and FYE 2023

Other expenses decreased by RM0.27 million (81.8%) to RM0.06 million in the FYE 2023 (FYE 2022: RM0.33 million) due to the absence of loss on foreign exchange. Other expenses of approximately RM2,000 recorded in the FYE 2023 was due to write off PPE and rental deposit. Penalties of RM0.05 million incurred comprised late payment charges of RM0.03 million to IRB for years of assessments 2021 and 2022 as well as charges of RM0.02 million for under estimation of tax for year of assessment 2022.

Comparison between FYE 2023 and FYE 2024

Other expenses increased by RM1.04 million (1,733.3%) in the FYE 2024 to RM1.10 million (FYE 2023: RM0.06 million). Such increase was mainly due to:

(i) realised and unrealised losses on foreign exchange of RM0.74 million collectively as a consequence of the depreciation of the RMB against the RM in the FYE 2024 as compared to the FYE 2023;

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) write off of PPE of RM0.15 million relating to renovations as a result of cessation of operations of our retail store in Telok Panglima Garang in February 2024 and 2 units of rented apartments at Menara 3, Jalan Ampang, Kuala Lumpur in November 2024 upon expiry of the tenancies; and

(iii) increase in penalties by RM0.15 million. In the FYE 2024, the penalties of RM0.21 million incurred comprise mainly late payment charges of RM0.14 million to IRB for years of assessments 2022 and 2023 as well as charges for under estimation of tax of RM0.06 million for year of assessment 2023.

Comparison between FYE 2024 and FYE 2025

Other expenses decreased by RM0.13 million (11.8%) in the FYE 2025 to RM0.97 million (FYE 2024: RM1.10 million). Such decrease was due to:

(i) decrease in penalties by RM0.17 million. In the FYE 2025, the penalties of RM0.04 million incurred comprise charges for under estimation of tax for year of assessment 2024;

(ii) decrease in unrealised loss on foreign exchange by RM0.16 million, arising from lower outstanding and unsettled foreign trade receivables as at 31 December 2025 as compared to as at 31 December 2024; and

(iii) decrease in PPE written off by RM0.12 million. In the FYE 2025, PPE written off of RM0.03 million was incurred in relation to signboard and renovation as a result of cessation of operations of our retail store in Taman Equine in September 2025.

The decrease in other expenses was partially offset by the increase in realised loss on foreign exchange by RM0.32 million as a consequence of the strengthening of RM against RMB in the FYE 2025 which arose from the settlement of foreign trade receivables.

(h) Finance income

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income	11	100.0	12	100.0	20	100.0	25	100.0

Interest income is earned from bank balances and fixed deposits with licensed banks.

12. FINANCIAL INFORMATION *(Cont'd)*

(i) Finance costs

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest expenses charged on:								
- bankers' acceptances	34	9.5	89	17.5	321	30.0	515	34.4
- term loans	205	57.5	277	54.3	406	38.0	524	35.1
- bank overdrafts	59	16.5	69	13.5	229	21.4	333	22.3
- lease liabilities	59	16.5	75	14.7	113	10.6	123	8.2
	357	**100.0**	**510**	**100.0**	**1,069**	**100.0**	**1,495**	**100.0**

Comparison between FYE 2022 and FYE 2023

Finance costs increased by RM0.15 million (41.7%) to RM0.51 million in the FYE 2023 (FYE 2022: RM0.36 million) mainly due to the following:

(i) increase in interest expenses on term loan by RM0.07 million due to drawdown of 1 new term loan facility amounting to RM0.72 million for the purchase of a parcel of agricultural land erected with a swiftlet house; and

(ii) increase in interest expenses on bankers' acceptance by RM0.06 million, arising from higher outstanding bankers' acceptances from the FYE 2023.

Comparison between FYE 2023 and FYE 2024

Finance costs increased by RM0.56 million (109.8%) to RM1.07 million in the FYE 2024 (FYE 2023: RM0.51 million) mainly due to the following:

(i) increase in interest expenses on term loan by RM0.13 million due to drawdown of term loan facilities for the purchase of a service apartment located at Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur classified at investment property and progress claim payments for the construction of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor;

(ii) increase in interest expenses on bankers' acceptance by RM0.23 million and overdraft by RM0.16 million, as more trade facilities were utilised during the FYE 2024, in line with our business growth; and

(iii) increase in interest expenses on lease liabilities by RM0.03 million due to renewal of tenancy agreements mainly for our main office, Kajang Facility, 2 units of health and personal care retail stores and 78 units of workers' accommodations.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2024 and FYE 2025

Finance costs increased by RM0.43 million (40.2%) to RM1.50 million in the FYE 2025 (FYE 2024: RM1.07 million) mainly due to the following:

(i) increase in interest expenses on bankers' acceptance by RM0.20 million and bank overdraft by RM0.10 million, as more trade facilities were utilised during the FYE 2025, in line with our business growth; and

(ii) increase in interest expenses on term loan by RM0.11 million due to additional drawdowns which were used to fund the progress claim for the construction of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor.

(j) Taxation, PBT and PAT

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
Taxation (RM'000)	2,108	1,736	2,208	2,416
Effective tax rate (%)	24.6	19.9	20.8	22.4
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The following table sets out our PBT, PBT margin, PAT and PAT margin for the FYEs 2022 to 2025:

	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
PBT (RM'000)	8,572	8,736	10,636	10,781
PBT margin (%)	7.6	7.3	7.3	6.8
PAT (RM'000)	6,464	7,000	8,428	8,365
PAT margin (%)	5.7	5.8	5.8	5.3

Comparison between FYE 2022 and FYE 2023

For the FYE 2023, our Group recorded a marginal increase in PBT of RM0.17 million (2.0%) from RM8.57 million in the FYE 2022 to RM8.74 million in the FYE 2023, mainly derived from higher GP but which was offset by the lower other income. PBT margin decreased from 7.6% in the FYE 2022 to 7.3% in the FYE 2023 mainly due to lower other income.

12. FINANCIAL INFORMATION *(Cont'd)*

Our effective tax rate in the FYE 2023 was 19.9% which was lower than the statutory tax rate of 24.0%. This was due to the overprovision of income tax for year of assessment 2022 of RM0.07 million, temporary differences between accounting and tax treatment of RM0.02 million and lower corporate tax rate for our foreign subsidiary.

Due to lower tax expenses in the FYE 2023, our PAT increased from RM6.46 million in the FYE 2022 to RM7.00 million in the FYE 2023 and PAT margin also increased from 5.7% in the FYE 2022 to 5.8% in the FYE 2023 due to the lower effective tax rate.

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our Group recorded an increase in PBT by RM1.90 million (21.7%) from RM8.74 million in the FYE 2023 to RM10.64 million in the FYE 2024, mainly derived from higher GP, higher other income, lower administrative expenses but was offset by the higher other expenses (mainly from higher realised and unrealised loss on foreign exchange). Despite the increase in PBT, PBT margin maintained at 7.3% for the FYE 2024. This was due to the increase in other expenses.

Our effective tax rate in the FYE 2024 was 20.8%, which was lower than the statutory tax rate of 24.0%. This was due to income not subject to tax of RM0.89 million mainly comprising fair value gain on investment property and gain on disposal of subsidiary.

Our PAT margin maintained at 5.8% in the FYE 2024 (FYE 2023: 5.8%).

Comparison between FYE 2024 and FYE 2025

For the FYE 2025, our Group recorded an increase in PBT by RM0.14 million (1.3%) from RM10.64 million in the FYE 2024 to RM10.78 million, mainly derived from higher GP and lower administrative expenses but was offset by the lower other income, absence of reversal on financial assets and higher finance costs. Despite the increase in PBT, our PBT margin decreased from 7.3% in the FYE 2024 to 6.8% in the FYE 2025 as the increased sales did not translate proportionately to increased profit.

Our effective tax rate in the FYE 2025 was 22.4% which was lower than the statutory tax rate of 24.0%. This was due to income not subject to tax of RM0.51 million mainly comprising fair value gain on investment properties.

Our PAT decreased marginally from RM8.43 million in the FYE 2024 to RM8.37 million in the FYE 2025 and PAT margin also decreased from 5.8% in the FYE 2024 to 5.3% in the FYE 2025 due to the decline in PBT margin.

12. FINANCIAL INFORMATION *(Cont'd)*

12.2.3 Review of financial position

(a) Assets

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current assets				
PPE	5,654	5,892	10,743	12,380
Investment properties	823	1,048	4,550	5,100
Goodwill	1,840	1,840	1,840	1,840
Fixed deposits with licensed banks	-	-	160	320
Cash and cash equivalents	-	-	167	167
Total non-current assets	8,317	8,780	17,460	19,807
Current assets				
Inventories	11,334	15,920	13,482	15,006
Trade receivables	13,453	18,148	25,294	16,665
Other receivables	4,457	4,663	3,266	2,970
Amount due from an associate	-	11	56	109
Other investment	430	-	1	1
Tax recoverable	-	-	-	23
Fixed deposit with licensed banks	505	639	877	931
Cash and cash equivalents	3,646	1,297	9,610	28,073
Total current assets	33,825	40,678	52,586	63,778
Total assets	**42,142**	**49,458**	**70,046**	**83,585**

Comparison between FYE 2022 and FYE 2023

Our total assets increased by RM7.32 million (17.4%) from RM42.14 million as at 31 December 2022 to RM49.46 million as at 31 December 2023 mainly due to the increases in current assets by RM6.86 million and non-current assets by RM0.46 million as at 31 December 2023.

Non-current assets

Our non-current assets increased by RM0.46 million (5.5%) to RM8.78 million as at 31 December 2023 (as at 31 December 2022: RM8.32 million) mainly due to the following:

(a) Increase in PPE by RM0.24 million arising from additional PPE of RM1.34 million comprising mainly the acquisition of a parcel of agricultural land erected with a swiftlet house by our former subsidiary, Martell Swiftlets Sdn Bhd (formerly known as Enest Swiftlets Sdn Bhd) for RM0.94 million and renovation works of RM0.21 million carried out at our main office in Kajang. The amount was reduced by depreciation charges of RM0.99 million during the FYE 2023 and recognition of net balances for early termination of lease contracts of approximately RM0.08 million; and

(b) Increase in investment properties by RM0.23 million, due to the acquisition of an apartment unit in One Selayang, Batu Caves for RM0.18 million and the net fair value gain recognised on investment properties of RM0.05 million during the FYE 2023.

12. FINANCIAL INFORMATION *(Cont'd)*

Current assets

Our current assets increased by RM6.86 million (20.3%) to RM40.68 million as at 31 December 2023 (as at 31 December 2022: RM33.82 million) mainly due to the following:

(a) Increase in inventories by RM4.59 million due to higher quantities of finished goods to cater for the increase in orders received for our bird's nest segment;

(b) Increase in trade receivables by RM4.70 million which was in line with the increase in revenue recorded for the FYE 2023 and that more sales were closed during the last quarter of the FYE 2023 to cater for the Chinese New Year festive season in 2024; and

(c) Increase in other receivables by RM0.20 million mainly due to the deposit of RM0.52 million which was paid to acquire a service apartment in Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur, higher prepayments by RM0.53 million mainly attributable to professional fees in relation to our Listing, and indirect tax recoverable of RM0.19 million relating to import duty on RCEBN in China. This increase was partially offset by a decrease in advances to suppliers by RM1.00 million following the delivery of raw materials.

The increase in current assets was offset by the following:

(a) Decrease in cash and cash equivalents by RM2.35 million, mainly attributable to purchase of inventories to cater for the increase in orders received; and

(b) Decrease in other investments of RM0.43 million upon full redemption of unit trust funds.

Comparison between FYE 2023 and FYE 2024

Our total assets increased by RM20.59 million (41.6%) from RM49.46 million as at 31 December 2023 to RM70.05 million as at 31 December 2024 mainly due to the increases in current assets by RM11.91 million and non-current assets by RM8.68 million as at 31 December 2024.

Non-current assets

Our non-current assets increased by RM8.68 million (98.9%) to RM17.46 million as at 31 December 2024 (as at 31 December 2023: RM8.78 million) mainly due to the following:

(a) Increase in PPE by RM4.85 million, arising from additional PPE of RM7.40 million comprising mainly the progress claim payment of RM5.49 million for the acquisition of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor which were acquired in the FYE 2023 and additional rental obligation of RM1.35 million for our main office, Kajang Facility and workers' accommodations. The increase in PPE was offset by depreciation charges of RM0.95 million for the FYE 2024; and

(b) Increase in investment properties by RM3.50 million, due to the acquisition of a service apartment unit located in Menara TR-Tropicana Jalan Ampang, Kuala Lumpur for RM2.77 million and the fair value adjustment on investment properties of RM0.91 million which amount was reduced by RM0.18 million due to the reclassification of the apartment unit in One Selayang, Batu Caves from investment property to PPE.

Current assets

Our current assets increased by RM11.91 million (29.3%) to RM52.59 million as at 31 December 2024 (as at 31 December 2023: RM40.68 million) mainly due to the following:

(a) Increase in trade receivables by RM7.15 million which was in line with the increase in revenue and increase in quota for export to China which resulted in more sales during the last quarter of the FYE 2024 to cater for the Chinese New Year festive season in 2025;

(b) Increase in placement of additional fixed deposit with licensed banks by RM0.24 million in respect of banking facility; and

(c) Increase in cash and cash equivalents by RM8.31 million due to internally generated funds i.e. collections from customers after offsetting payments for operating costs and expenditure of RM4.55 million as well as proceeds from disposal of a subsidiary of RM0.86 million (net of fixed deposit and cash available in subsidiary) and proceeds from the reimbursement of bankers' acceptance of RM2.90 million after we made payments directly to suppliers at the end of the FYE 2024.

The increase was offset by the following:

(a) Decrease in inventories by RM2.44 million mainly due to the suspension of EBN export to China in December 2024 as a result of the Newcastle disease which resulted in the pause of our processing of RCEBN, which in turn led to lower finished products at the end of the FYE 2024; and

(b) Decrease in other receivables by RM1.40 million relating mainly to the decrease in advances to suppliers by RM1.83 million following the delivery of RUBN supplies and the decrease in deposit by RM0.44 million due to the absence of the deposit of RM0.52 million paid in the FYE 2023 in respect of the purchase of a service apartment in Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur, which acquisition was completed in the FYE 2024. This decrease was partially offset by the increase in indirect tax recoverable by RM0.64 million relating to import duty on RCEBN in China and the increase in prepayments by RM0.22 million mainly attributable to professional fees in relation to our Listing.

Comparison between FYE 2024 and FYE 2025

Our total assets increased by RM13.54 million (19.3%) from RM70.05 million as at 31 December 2024 to RM83.59 million as at 31 December 2025 due to the increase in current assets of RM11.19 million and non-current assets of RM2.35 million as at 31 December 2025.

12. FINANCIAL INFORMATION *(Cont'd)*

Non-current assets

Our non-current assets increased by RM2.35 million (13.5%) to RM19.81 million as at 31 December 2025 (as at 31 December 2024: RM17.46 million) mainly due to the following:

(a) Increase in PPE by RM1.64 million arising from additional PPE of RM2.69 million comprising mainly the progress claim payments of RM2.53 million for 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor which were acquired in the FYE 2023. The increase in PPE was partially offset by depreciation charges for the FYE 2025;

(b) Increase in investment property by RM0.55 million arising from the fair value gain recognised on a serviced apartment located at Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur.

Current assets

Our current assets increased by RM11.19 million (21.3%) to RM63.78 million as at 31 December 2025 (as at 31 December 2024: RM52.59 million) mainly due to the (a) increase in cash and cash equivalents by RM18.46 million arising from collections from customers, and proceeds from the reimbursement of bankers' acceptance after we made payments directly to suppliers at the end of the FYE 2025; and (b) increase in inventories by RM1.53 million due to higher quantities of RUBN to cater for the increase in orders received for our bird's nest segment.

The increase in current asset was partially offset by the following:

(a) Decrease in trade receivables by RM8.62 million mainly due to collections from our customers during FYE 2025; and

(b) Decrease in other receivables by RM0.30 million related mainly to the decrease in advances to suppliers by RM0.71 million following the delivery of RUBN supplies, indirect tax recoverable by RM0.25 million and other receivables by RM0.10 million. The decrease in other receivables was partially offset by higher prepayments of RM0.83 million attributed to higher prepaid professional fees in relation to our Listing.

(b) Liabilities

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current liabilities				
Borrowings	3,633	3,979	9,368	12,133
Deferred tax liabilities	110	94	192	280
Lease liabilities	1,442	959	1,153	710
Total non-current liabilities	5,185	5,032	10,713	13,123
Current liabilities				
Trade payables	3,455	3,583	233	204
Other payables	771	747	3,323	1,961
Contract liabilities	-	-	146	1,807
Lease liabilities	496	491	363	297
Amount due to a Director	-	*	-	-

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Borrowings	2,109	1,887	8,428	11,981
Bank overdraft	4	1,442	1,613	1,161
Tax payable	1,730	827	1,634	1,454
Total current liabilities	8,565	8,977	15,740	18,865
Total liabilities	**13,750**	**14,009**	**26,453**	**31,988**

Note:

* Amount less than RM500.

Comparison between 31 December 2022 and 31 December 2023

Our total liabilities increased by RM0.26 million (1.9%) from RM13.75 million as at 31 December 2022 to RM14.01 million as at 31 December 2023. This was due to the increase in our current liabilities by RM0.41 million as at 31 December 2023.

Non-current liabilities

Our non-current liabilities decreased by RM0.16 million (3.1%) to RM5.03 million as at 31 December 2023 (as at 31 December 2021: RM5.19 million) due to the decrease by RM0.48 million in the non-current portion of lease liabilities, mainly arising from the scheduled payment of lease liabilities.

The decrease in non-current liabilities was offset by the increase in the non-current portion of borrowings by RM0.35 million, mainly arising from the addition of 1 new term loan facility amounting to RM0.72 million which was drawn down to purchase a parcel of agricultural land erected with a swiftlet house.

Current liabilities

Our current liabilities increased by RM0.41 million (4.8%) to RM8.98 million as at 31 December 2023 (as at 31 December 2022: RM8.57 million) due mainly to the higher utilisation of bank overdraft by RM1.44 million to finance our working capital.

The increase in our current liabilities was offset mainly by the decrease in tax payables by RM0.90 million due to lower tax expenses in the FYE 2023 and the decrease in the current portion of borrowings by RM0.22 million due to lower outstanding bankers' acceptances as at 31 December 2023.

Comparison between 31 December 2023 and 31 December 2024

Our total liabilities increased by RM12.44 million (88.8%) from RM14.01 million as at 31 December 2023 to RM26.45 million as at 31 December 2024. This was due to the increase in both our non-current liabilities by RM5.68 million and current liabilities by RM6.76 million as at 31 December 2024.

Non-current liabilities

Our non-current liabilities increased by RM5.68 million (112.9%) to RM10.71 million as at 31 December 2024 (as at 31 December 2023: RM5.03 million) mainly due to the increase in the non-current portion of borrowings by RM5.39 million arising from the drawdown of two additional term loan facilities for the purchase of a service apartment located at Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur and progress claim

payments for the construction of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor.

Current liabilities

Our current liabilities increased by RM6.76 million (75.3%) to RM15.74 million as at 31 December 2024 (as at 31 December 2023: RM8.98 million) due mainly to the following:

(i) Increase in borrowings by RM6.54 million arising from higher utilisation of bankers' acceptances for the purchase of RUBN;

(ii) Increase in other payables by RM2.57 million, of which RM1.08 million is due to the developer for the purchase of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor and the remaining RM1.49 million are mainly due to deposits received from customers of RM0.92 million and amount owing to a supplier for the purchase of bird's nest picking devices of RM0.32 million; and

(iii) Increase in tax payables of RM0.80 million due to higher tax expenses in the FYE 2024.

The increase in our current liabilities was offset mainly by the decrease in trade payables by RM3.35 million due to timely payments made to our suppliers during the FYE 2024.

Comparison between 31 December 2024 and 31 December 2025

Our total liabilities increased by RM5.54 million (20.9%) from RM26.45 million as at 31 December 2024 to RM31.99 million as at 31 December 2025. This was due to the increase in our non-current liabilities of RM2.41 million and current liabilities of RM3.13 million as at 31 December 2025.

Non-current liabilities

Our non-current liabilities increased by RM2.41 million (22.5%) to RM13.12 million as at 31 December 2025 (as at 31 December 2024: RM10.71 million) due to the increase in the non-current portion of borrowings by RM2.76 million mainly arising from additional drawdowns to fund the progress claims for the acquisition of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor. The increase in non-current liabilities was partially offset by the decrease in lease liabilities of RM0.44 million mainly arising from the scheduled payment of lease liabilities in FYE 2025.

Current liabilities

Our current liabilities increased by RM3.13 million (19.9%) to RM18.87 million as at 31 December 2025 (as at 31 December 2024: RM15.74 million) due to the following:

(i) Increase in borrowings by RM3.55 million mainly arising from higher utilisation of bankers' acceptances for the purchase of RUBN; and

(ii) Increase in contract liabilities by RM1.66 million related to an advance deposit received from a customer for purchase of RCEBN which will be recognised as revenue in following financial year.

12. FINANCIAL INFORMATION *(Cont'd)*

The increase in our current liabilities was partially offset mainly by the following:

(i) Decrease in other payables by RM1.36 million, mainly attributable to deposits received from customers in the previous period which was recognised as revenue in the FYE 2025 and disbursement from existing term loans relating to the 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor;

(ii) Decrease in bank overdraft by RM0.45 million, due to payment of bank overdraft in the FYE 2025; and

(iii) Decrease in tax payables by RM0.18 million due to higher monthly payments of tax instalments during the FYE 2025 exceeding to the taxation for FYE 2025.

12.2.4 Review of cash flows

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash (used in)/from operating activities	(543)	(1,814)	5,728	17,389
Net cash from/(used in) investing activities	447	(18)	(7,803)	(2,585)
Net cash from/(used in) financing activities	3,067	(1,954)	10,191	4,111
Net increase/(decrease) in cash and cash equivalents	2,971	(3,786)	8,116	18,915
Cash and cash equivalents at the beginning of the financial years	696	3,667	(119)	7,997
Cash and cash equivalents at the end of the financial years	**3,667**	**(119)**	**7,997**	**26,912**

FYE 2022

Net cash used in operating activities

For the FYE 2022, net cash outflows from operating activities amounted to RM0.54 million. Operating profit before working capital changes of RM9.89 million was adjusted for negative changes in working capital of RM7.23 million which mainly comprised the following:

(a) decrease in inventories by RM0.94 million, arising from higher sales towards the last quarter of the FYE 2022 for our bird's nest segment and for which we have not received our inventory orders from our suppliers;

(b) increase in receivables by RM1.91 million, mainly due to higher invoices billed towards the last quarter of FYE 2022, which was also in line with our increased revenue during the year; and

(c) decrease in payables by RM6.26 million, mainly due to the impact from the absence of contract liabilities of RM7.82 million which we recognised in full as revenue for the FYE 2022.

For the FYE 2022, we paid income tax of RM3.20 million.

12. FINANCIAL INFORMATION *(Cont'd)*

Our Group recorded negative operating cash flow of RM0.54 million mainly attributable to advance payment received from a customer in the FYE 2021 which was classified as contract liability, and in turn had been translated into processing and sale of RCEBN during the FYE 2022.

Net cash from investing activities

For the FYE 2022, net cash inflows from investing activities amounted to RM0.45 million. It was mainly attributable to the net redemption from other investments (i.e. unit trust funds) of RM1.18 million which was offset by cash payment of RM0.72 million, mainly for renovation works of RM0.49 million carried out at our main office, Kajang Facility and health and personal care retail store at Taman Equine as well as cash purchase of furniture, office equipment and computers of RM0.19 million.

Net cash from financing activities

For the FYE 2022, net cash inflows from financing activities amounted to RM3.07 million. This was mainly attributable to:

(a) Drawdown of borrowing of RM5.20 million comprising 4 additional term loans amounting to RM3.58 million to finance working capital and refinancing of investment property at Menara 3, Jalan Ampang, Kuala Lumpur, and utilisation of bankers' acceptance of RM1.62 million for the purchase of RUBN and health and personal care supplies;

(b) Repayment of borrowing (i.e. term loans) of RM1.27 million;

(c) Repayment of lease liabilities of RM0.41 million to finance the rental obligations of our main office, Kajang Facility, and workers' accommodations and motor vehicles under hire purchase arrangement; and

(d) Payment of interest expenses of RM0.36 million, mainly for term loans, bank overdraft, bankers' acceptance and lease liabilities.

FYE 2023

Net cash used in operating activities

For the FYE 2023, net cash outflows from operating activities amounted to RM1.81 million. Operating profit before working capital changes of RM10.12 million was adjusted for negative changes in working capital of RM9.28 million which mainly comprised the following:

(a) increase in inventories by RM4.59 million mainly due to higher purchases of RUBN supplies and quantities of finished goods to cater for future sales orders;

(b) increase in receivables by RM4.85 million, mainly due to higher sales from trading of EBN during the year arising from our Group's strategy to create an additional revenue stream to trade EBN in the domestic market; and

(c) increase in payables by RM0.16 million, mainly due to higher accrued expenses for workers' salaries due to the increased number of foreign employees as at 31 December 2023.

For the FYE 2023, we paid income tax of RM2.85 million and received tax refund of RM0.19 million.

12. FINANCIAL INFORMATION *(Cont'd)*

Our Group recorded negative operating cash flow of RM1.81 million mainly due to the increased inventories as at 31 December 2023 arising from higher finished goods of RCEBN by RM3.42 million which were pending delivery to China as Chinese New Year 2024 was in mid of February 2024.

Net cash used in investing activities

For the FYE 2023, net cash outflows from investing activities amounted to less than RM0.02 million. It was mainly attributable to cash payment for the purchase of PPE of RM0.28 million, primarily for renovation works amounting to RM0.21 million carried at our main office and acquisition of investment property at One Selayang, Batu Caves for RM0.18 million. The cash outflows from investing activating was offset by the net redemption from other investments of RM0.44 million.

Net cash used in financing activities

For the FYE 2023, net cash outflows from financing activities amounted to RM1.95 million. This was mainly attributable to the following:

(a) Drawdown of additional 1 term loan of RM0.72 million for the purchase of a parcel of agricultural land erected with a swiftlet house;

(b) Repayment of borrowings of RM0.60 million comprising term loans of RM0.40 million to finance working capital and bankers' acceptance of RM0.20 million to finance the purchase of RUBN, consumables and merchandises;

(c) Repayment of lease liabilities of RM1.44 million to finance the rental obligations of our main office, Kajang Facility and workers' accommodations and motor vehicles under hire purchase arrangement; and

(d) Payment of interest expenses of RM0.51 million, mainly for term loans, bankers' acceptance, bank overdraft and lease liabilities.

FYE 2024

Net cash from operating activities

For the FYE 2024, net cash inflows from operating activities amounted to RM5.73 million. Operating profit before working capital changes of RM10.75 million was adjusted for negative changes in working capital of RM3.73 million which mainly comprised the following:

(a) decrease in inventories by RM2.44 million, arising from higher sales towards the last quarter of the FYE 2024 for our bird's nest segment and no inventory orders were placed for the purchase for RUBN supplies in December 2024 due to the temporary suspension of export of EBN products to China as a result of the outbreak of the Newcastle disease;

(b) increase in receivables by RM5.42 million, mainly due to higher invoices billed towards the last quarter of FYE 2024, which was also in line with our increased revenue during the year; and

(c) decrease in payables of RM0.89 million, mainly due to settlement to 2 suppliers.

For the FYE 2024, we paid income tax of RM1.30 million.

12. FINANCIAL INFORMATION *(Cont'd)*

Net cash used in investing activities

For the FYE 2024, net cash outflows from investing activities amounted to RM7.80 million. It was mainly attributable to the cash payment of RM5.88 million relating to the progress claim payments of RM5.49 million for the construction of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor, and the purchase of a service apartment located at Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur for RM2.77 million.

Net cash from financing activities

For the FYE 2024, net cash inflows for financing activities amounted to RM10.19 million. This was mainly attributable to the following:

(a) Drawdown of borrowings by RM13.17 million comprising 2 additional term loans totaling RM11.29 million for the acquisition of a service apartment located at Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur and to finance the construction of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor, and the utilisation of bankers' acceptance amounting to RM6.47 million to finance the purchase of RUBN, and consumables and merchandises;

(b) Repayment of borrowings of RM0.60 million comprising term loans of RM0.40 million to finance working capital and bankers' acceptance of RM0.20 million to finance the purchase of RUBN, and consumables and merchandises;

(c) Repayment of lease liabilities of RM0.71 million to finance the rental obligations of our main office, Kajang Facility and workers' accommodations and motor vehicles under hire purchase arrangement;

(d) Payment of interest expenses of RM1.07 million, mainly for term loans, bankers' acceptance, bank overdraft and lease liabilities;

(e) Placement of fixed deposit of RM0.42 million pledged for banking facilities.

FYE 2025

Net cash from operating activities

For the FYE 2025, net cash inflows from operating activities amounted to RM17.39 million. Operating profit before working capital changes of RM12.67 million was adjusted for changes in working capital of RM7.25 million which mainly comprised the following:

(a) Increase in inventories by RM1.52 million mainly due to higher quantities of RUBN to cater for the increase in orders received for our bird's nest segment;

(b) Decrease in receivables by RM8.87 million, mainly arising from higher collections from our customers during FYE 2025;

(c) Decrease in payables by RM1.75 million, mainly due to the decrease in other payables arising from deposits received from customers in the previous financial year which was recognised as revenue in the FYE 2025 and disbursement from existing term loans relating to the 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor; and

(d) Increase in contract liabilities of RM1.66 million due to the advance deposit received from a customer in the FYE 2025 which will be recognised as revenue in the following financial year.

12. FINANCIAL INFORMATION *(Cont'd)*

For the FYE 2025, we paid income tax of RM2.54 million.

Net cash used in investing activities

For the FYE 2025, net cash outflows from investing activities amounted to RM2.59 million. It was mainly attributable to the cash payment of RM2.56 million mainly relating to the progress claim payments of RM2.53 million for 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor which were acquired in the FYE 2023.

Net cash from financing activities

For the FYE 2025, net cash inflows from financing activities amounted to RM4.11 million. This was attributable to the following:

(a) Drawdown of borrowings by RM30.84 million comprising 2 additional term loans totaling RM3.17 million to finance the construction of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor, and the utilisation of bankers' acceptance amounting to RM27.67 million to finance the purchase of RUBN, consumables and merchandises;

(b) Repayment of borrowings of RM24.52 million comprising term loans to finance working capital and bankers' acceptance to finance the purchase of RUBN;

(c) Payment of interest expenses of RM1.50 million, mainly for term loans, bankers' acceptance, bank overdraft and lease liabilities;

(d) Repayment of lease liabilities of RM0.50 million to finance the rental obligations of our main office, Kajang Facility, workers' accommodations and motor vehicles under hire purchase arrangement; and

(e) Placement of fixed deposit of RM0.21 million pledged for banking facilities.

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working capital

We finance our operations with cash generated from operations, credit extended by our suppliers and/or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise term loans, bank overdrafts, bank guarantees, bankers acceptances and finance lease liabilities.

Our Board confirms that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

(a) Our cash and cash equivalents of approximately RM25.39 million as at LPD;

(b) Our expected future cash flows from operations and the proceeds from the Public Issue, of which RM6.41 million is earmarked for working capital;

(c) Our banking facilities as at LPD of RM44.23 million (excluding finance leases and one banking facility which will be cancelled upon repayment from the utilisation of proceeds), of which RM11.95 million is available to be utilised; and

(d) Our pro forma gearing level of 0.33 times, based on our pro forma total equity as at 31 December 2025 after the Public Issue and utilisation of proceeds of RM63.12 million.

We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

12. FINANCIAL INFORMATION *(Cont'd)*

12.4 LOANS AND BORROWINGS

All of our loans and borrowings are secured, interest-bearing and denominated in RM. Our total outstanding loans and borrowings (excluding the lease liabilities from rental commitment of RM0.59 million) as at 31 December 2025 stood at RM25.70 million, the details of which are set out below:

Facility	Purpose	Security	Tenure of facility	Effective interest of borrowings	As at 31 December 2025
				%	RM'000
Interest bearing short-term borrowings, payable within 1 year:					
Bank overdraft	For working capital	(a) Pledge of fixed deposits with licensed banks (b) Corporate guarantee by our Company (c) Debenture on fixed and floating, present and future assets of a subsidiary (d) Jointly and severally guaranteed by certain Directors of our Group (e) Government guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (f) First party legal charge over leasehold land and buildings of our Group	payable on demand	7.5 to 7.8	1,161
Bankers' acceptance	For the purchase of RUBN supplies and procurement of products of our health and personal care retail stores	(a) Pledge of fixed deposits with licensed banks (b) Corporate guarantee by our Company and our subsidiary (c) Jointly and severally guaranteed by certain Directors of our Group (d) Government guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (e) Asset sale agreement over shariah compliant commodities determined by the bank	up to 180 days	3.2 to 5.4	11,494

12. FINANCIAL INFORMATION *(Cont'd)*

Facility	Purpose	Security	Tenure of facility	Effective interest of borrowings	As at 31 December 2025
				%	RM'000
Lease liabilities	Financing for the purchase of motor vehicles	(a) Certain lease liabilities are secured by motor vehicles under hire purchase arrangements (b) Corporate guarantee by our subsidiary	9 years	4.6 to 4.7	90
Term loans	To finance the purchase of leasehold land and buildings and for working capital	(a) Jointly and severally guaranteed by certain Directors of our Group (b) Government guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (c) First party legal charge over leasehold land and buildings and investment property of our Group (d) Corporate guarantee by our Company and subsidiary (e) Pledged of fixed deposits with licensed banks (f) Open all monies assignment and charge over the escrow and debt service reserve account of our Group (g) Open all monies assignment first part deed of assignment over all rights, benefits, title and interest (including future rents and other proceeds) as landlord with respect to the leasehold land and buildings, investment properties as well as capital work-in-progress (h) First party legal charge over capital work-in-progress of our Group	7 to 25 years	1.4 to 8.8	487
					13,232

12. FINANCIAL INFORMATION *(Cont'd)*

Facility	Purpose	Security	Tenure of facility	Effective interest of borrowings	As at 31 December 2025
				%	RM'000
Interest bearing long-term borrowings, payable after 1 year:					
Lease liabilities	Financing for the purchase of motor vehicles	(a) Certain lease liabilities are secured by motor vehicles under hire purchase arrangements (b) Corporate guarantee by our subsidiary	9 years	4.6 to 4.7	330
Term loans	To finance the purchase of leasehold land and buildings and for working capital	(a) Jointly and severally guaranteed by certain Directors of our Group (b) Government guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (c) First party legal charge over leasehold land and buildings and investment property of our Group (d) Corporate guarantee by our Company and subsidiary (e) Pledged of fixed deposits with licensed banks (f) Open all monies assignment and charge over the escrow and debt service reserve account of our Group (g) Open all monies assignment first part deed of assignment over all rights, benefits, title and interest (including future rents and other proceeds) as landlord with respect to the leasehold land and buildings, investment properties as well as capital work-in-progress (h) First party legal charge over capital work-in-progress of our Group	7 to 25 years	1.4 to 8.8	12,133
					12,463
Total loans and borrowings					**25,695**
Pro forma gearing (times)					
After Public Issue[(1)]					0.33

12. FINANCIAL INFORMATION *(Cont'd)*

Note:

(1) Computed based on the pro forma total equity of RM63.12 million in the statement of financial position after the Public Issue (and utilisation of proceeds).

As at LPD, we do not have any borrowings which are non-interest bearing and/or in a foreign currency.

We have not defaulted on payments of principal sums and/or interests in respect of any of our borrowings throughout the FYE 2022 to FYE 2025 and up to LPD.

As at LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities. During the FYE 2022 to FYE 2025, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

In conjunction with our Listing, we have applied to the financier to obtain consents for the release and/or discharge of the personal guarantees. Until such release and/or discharge is obtained from the financier, Tan Teh Jie, Tan Teh Sheng, Christopher Tan Yew Leong and Lok Chyi Yeu will continue to guarantee the banking facilities extended to our Group. Through letters dated 10 December 2024 and 8 September 2025, as well as Letters of Offer from the financier, all dated 4 November 2025 issued to Dynamic Transforms, Ming Feng, and Enest Marketing, the financier shall allow the discharge the personal guarantees, subject to, amongst others, the following conditions:

(i) successful Listing;
(ii) the existing guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad shall continue for the existing banking facilities;
(iii) approval by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
(iv) waiver of the existing joint and several guarantee shall be on pari passu basis with all other financial institutions; and
(v) the Listing is to be completed by 31 December 2026.

As at LPD, all conditions stated above have yet to be met. However, on 8 August 2025 and 16 March 2026, the financier has sought the approval from Syarikat Jaminan Pembiayaan Perniagaan Berhad on behalf of our Group. Should the approval from Syarikat Jaminan Pembiayaan Perniagaan Berhad not be granted, we will prioritise to refinance the outstanding loans failing which, our Group will prioritise to refinance the outstanding loans, failing which, our Group will settle the outstanding loans using internally generated funds.

12. FINANCIAL INFORMATION *(Cont'd)*

12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

Save as disclosed in Section 12.4 above, we do not have or utilise any other financial instruments or have any other treasury policies. All our financial instruments are used for working capital, purchase of supplies and purchase of PPE and investment properties. As at 31 December 2025, save for our finance lease liabilities which are based on fixed rates, all our other facilities with licensed financial institutions are based on base rate or base lending rate plus or minus a rate which varies depending on the type of facility.

12.6 MATERIAL CAPITAL COMMITMENTS

As at LPD, save as disclosed below and for the planned capital commitment as disclosed in Section 4.9, we do not have any material capital commitments.

	RM'000
Approved and contracted for:	
Purchase of leasehold land and buildings in respect of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor	171

The above material capital commitments is funded by bank borrowings.

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

We are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect our position or business as at LPD.

As at LPD, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial results or position.

12.8 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the FYEs 2022 to 2025 are as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
Trade receivables turnover (days)[(1)]	34	48	54	48
Trade payables turnover (days)[(2)]	8	12	5	1
Inventory turnover (days)[(3)]	45	52	45	38
Current ratio (times)[(4)]	3.9	4.5	3.3	3.4
Gearing ratio (times)[(5)]	0.2	0.2	0.5	0.5

Notes:

(1) Computed based on the average trade receivables as at the FYEs divided by the revenue for the financial year, multiplied by 365 days for each financial year:

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
Opening trade receivables	7,694	13,453	18,148	25,294
Closing trade receivables	13,453	18,148	25,294	16,665
Revenue	112,972	120,325	146,207	158,382
Trade receivables turnover (days)	34	48	54	48

(2) Computed based on the average trade payables as at the FYEs divided by cost of sales for the financial year, multiplied by 365 days for each financial year:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
Opening trade payables	717	3,455	3,583	233
Closing trade payables	3,455	3,583	233	204
Cost of sales	98,855	105,363	131,152	141,379
Trade payables turnover (days)	8	12	5	1

(3) Computed based on the average inventories as at the FYEs divided by cost of purchases for the financial year, multiplied by 365 days for each financial year:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
Opening inventories	12,276	11,334	15,920	13,482
Closing inventories	11,334	15,920	13,482	15,006
Cost of purchases	95,454	95,413	119,151	135,422
Inventory turnover (days)	45	52	45	38

(4) Computed based on current assets divided by current liabilities as at each FYEs.

(5) Computed based on total interest-bearing loans and borrowings (excluding the lease liabilities from rental commitment) divided by total equity attributable to owners of our Company as at each FYEs:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
Total loans and borrowings[(i)]	6,411	7,896	19,915	25,695
Total equity attributable to owners of our Company	26,440	33,167	40,921	48,580
Gearing ratio (times)	0.2	0.2	0.5	0.5

Subnote:

(i) Comprising term loans, bankers' acceptance, bank overdrafts and lease liabilities, but excluding the lease liabilities from rental commitments arising from the application of MFRS 16 for leases entered into by our Group for tenure of more than 1 year.

12. FINANCIAL INFORMATION *(Cont'd)*

12.8.1 Trade receivables turnover

The normal trade credit period granted by our Group to our customers are as follows:

Customers by business segment and locations	Credit period from the date of invoice for the FYE 2025
Bird's nest segment	
China	
- distributors and state-owned enterprises	30 to 90 days
- retailers and importers	Cash term to 60 days
Malaysia (bird's nest processing companies and traders/agents)	90 to 120 days
Overseas retail and distributor customers, other than China	60 to 90 days
Health and personal care segment	
Retail customers	Cash term
Corporate customers	Cash term to 30 days

Our normal credit terms generally granted by our Group to our customers are shown above. Credit period granted are assessed on a case-by-case basis, and this may be extended in certain cases after taking into consideration the background and credit-worthiness, payment history and our relationship with our customers. We use ageing analysis to monitor the credit quality of our trade receivables.

Our average trade receivables turnover periods for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 were 34 days, 48 days, 54 days and 48 days respectively, which were within the normal credit period granted to our customers.

For the FYE 2023, our average trade receivable turnover period increased to 48 days mainly due to higher sales recorded and more invoices were issued during the last quarter of the FYE 2023.

For the FYE 2024, our average trade receivable turnover period increased to 54 days mainly due to higher sales recorded and more invoices were issued during the last quarter of the FYE 2024 as well as higher amount owing by a major customer from China amounting to RM8.56 million as at 31 December 2024. As at LPD, our Group has collected the amount in full from this customer.

For the FYE 2025, our average trade receivable turnover period decreased to 48 days mainly due to improved collections from our customers during FYE 2025.

12. FINANCIAL INFORMATION *(Cont'd)*

The ageing analysis of our trade receivables as at 31 December 2025 is as follows:

	Trade receivables as at 31 December 2025		Amount collected from 1 January 2026 up to LPD	Balance of trade receivables which have not to be collected as at LPD
	RM'000	Percentage of trade receivables	RM'000	RM'000
	(a)	(a)/total of (a)	(b)	(c) = (a)-(b)
Neither past due nor impaired	14,945	89.7	14,945	-
Past due but not impaired:				
- less than 30 days	1,062	6.4	1,062	-
- 31 to 60 days	1	*	1	-
- 61 to 90 days	2	*	2	-
- over 90 days	655	3.9	655	-
	1,720	10.3	1,720	
Total	**16,665**	**100.0**	**16,665**	**-**

Note:

* Less than 0.1%.

Subsequent to 31 December 2025 and up to LPD, we collected all of our total trade receivables as at 31 December 2025.

Our management monitors closely the recoverability of the overdue trade receivables on a regular basis, and when appropriate, provides for specific impairment of these trade receivables. Our Board is of the view that the remaining trade receivables are recoverable. The impairments made prior to the FYE 2022 amounted to RM0.57 million had been reversed in full in the FYE 2024. There is no provision for impairment required after taking into consideration the progressive collections from our customers from time to time, our Group's relationship with our customers as well as efforts made to improve collections with various credit control measures to reduce the potential exposure on credit risk. Such efforts include conducting regular meetings with our customers, sending reminder letters and implementing stricter next orders requirements i.e., long outstanding debts owing by our customers being settled, and cancelling as well as shortening credit terms and limits for slowing paying customers.

Our Group has not encountered any major disputes with our debtors during the FYE 2022 to FYE 2025 and up to LPD.

12. FINANCIAL INFORMATION *(Cont'd)*

12.8.2 Trade payables turnover

The normal credit terms granted by suppliers to our Group ranges from cash term to 90 days from the date of the supplier's invoice. Our trade payables turnover periods for the FYE 2022 to FYE 2025 were between 1 day and 12 days which were within the credit terms granted by our suppliers.

The ageing analysis of our trade payables as at 31 December 2025 is as follows:

	Trade payables as at 31 December 2025		Amount paid from 1 January 2026 up to LPD	Balance of trade payables which have not to be paid as at LPD
	RM'000	Percentage of trade payables	RM'000	RM'000
	(a)	(a)/total of (a)	(b)	(c) = (a)-(b)
Within credit period	204	100.0	180	24
Exceeding credit period:				
- 1 to 30 days	-	-	-	-
- 31 to 60 days	-	-	-	-
- More than 60 days	-	-	-	-
	-	-		
Total	**204**	**100.0**	**180**	**24**

As at LPD, we have settled the amount of RM0.18 million or 88.2% of our trade payables as at 31 December 2025. During the FYE 2022 to FYE 2025 and up to LPD, there were no disputes in respect of our trade payables and our Board confirms that there had been no legal actions initiated by our suppliers to demand for payment.

12.8.3 Inventory turnover

Our inventories comprise raw materials, work-in-progress and finished goods for our bird's nest segment as well as health and personal care merchandises. Our Group practices first-in first-out basis in computing the cost of inventories which include invoiced value of supplies purchased and expenditure incurred in acquiring inventories.

In general, our orders to the suppliers will generally take 3 to 4 days to be received for our RUBN supplies and 2 weeks to 1 month to be received for our health and personal care merchandises, from the date of the delivery of the purchase order. We maintain an inventory level for approximately 1.5 months. Our inventories turnover days vary from year to year according to purchase orders from our customers.

The details of our inventories for the FYEs 2022 to 2025 is as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Raw materials (RUBN)	1,296	2,410	4,046	5,989
Work-in-progress	150	57	-	-
Finished goods (RCEBN)	8,322	11,740	8,008	8,057
Health and personal care merchandises	1,566	1,713	1,428	960
	11,334	**15,920**	**13,482**	**15,006**

12. FINANCIAL INFORMATION *(Cont'd)*

Our inventories turnover period for the FYEs 2022, 2023, 2024 and 2025 was 45 days, 52 days, 45 days and 38 days, respectively. The higher inventories turnover days for the FYE 2023 of 52 days was due to higher quantities of finished goods in the FYE 2023 to cater for the increase in orders received for our bird's nest segment. Our inventories turnover period for the FYE 2024 of 45 days and FYE 2025 of 38 days were consistent with our inventory keeping practices.

We conduct weekly internal meetings to review our inventory level and inventory ageing. Approval is required from our Directors and management for replenishment of supplies and any impairment required on slow moving stocks. There was no inventory written off during the FYE 2022 to FYE 2025 and up to LPD.

12.8.4 Current ratio

Our current ratio throughout the FYEs 2022 to 2025 is as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current assets	33,825	40,678	52,586	63,778
Current liabilities	8,565	8,977	15,740	18,865
Net current assets	**25,260**	**31,701**	**36,846**	**44,913**
Current ratio (times)	3.9	4.5	3.3	3.4

Our current ratio ranged from 3.3 to 4.5 times throughout the FYE 2022 to FYE 2025.

Our current ratio increased from 3.9 times as at 31 December 2022 to 4.5 times as at 31 December 2023 was mainly due to an increase in trade receivables arising from higher sales of trading of EBN during the year as well as an increase in inventories resulting from higher purchases of RUBN supplies and quantities of finished goods to cater for the increase in orders received for our bird's nest segment.

Our current ratio decreased from 4.5 times as at 31 December 2023 to 3.3 times as at 31 December 2024 was mainly due to the following:

(i) increase in the current portion of borrowings by RM6.54 million mainly arising from higher outstanding balances of bankers' acceptance as at 31 December 2024 to finance the purchase of RUBN; and

(ii) increase in other payables by RM2.57 million, of which RM1.08 million is due to developer for the purchase of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor and the remaining of RM1.49 million is mainly due to deposits received from customers of RM0.92 million and amount owing to a supplier for the purchase of bird's nest picking devices of RM0.32 million;

The decrease in current ratio was cushioned by an increase in trade receivables of RM7.15 million due to the increase in revenue and quota for export to China in the FYE 2024 as well as higher cash and bank balances by RM8.31 million due to collections from customers, proceeds from disposal of a subsidiary and proceeds from the reimbursement of bankers' acceptance from our financiers after we made payments directly to suppliers at the end of the FYE 2024.

Our current ratio as at 31 December 2025 of 3.4 times was consistent with the 3.3 times recorded as at 31 December 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

Overall, the current ratios above 1 indicate that our Group is capable of meeting our short-term obligations as our current assets such as trade receivables and inventories, which can be readily converted to cash, together with our cash in the bank are sufficient to meet our current liabilities.

12.8.5 Gearing ratio

Our gearing ratio throughout the FYEs 2022 to 2025 is as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Borrowings (i.e. term loans and bankers' acceptance)	5,742	5,866	17,796	24,114
Bank overdraft	4	1,442	1,613	1,161
Lease liabilities	1,938	1,450	1,516	1,007
	7,684	8,758	20,925	26,282
Less: lease liabilities from rental commitment	(1,273)	(862)	(1,010)	(587)
Total loans and borrowings	6,411	7,896	19,915	25,695
Total equity attributable to owners of our Company	26,440	33,167	40,921	48,580
Gearing ratio (times)	0.2	0.2	0.5	0.5

Our gearing ratio ranged from 0.2 to 0.5 times throughout the FYEs 2022 to 2025.

Our gearing ratio as at 31 December 2023 was consistent with our gearing ratio as at 31 December 2022 of 0.2 times.

Our gearing ratio increased from 0.2 times as at 31 December 2023, to 0.5 times as at 31 December 2024. This was due to the increase in total loans and borrowings by RM12.02 million arising from the drawdown of two additional term loan facilities for the purchase of a service apartment located at Menara TR-Tropicana, Jalan Ampang, Kuala Lumpur and progress claim payments for the construction of 2 units of semi-detached factories located at NCT Smart Industrial Park, Kuala Langat, Selangor and higher utilisation of bankers' acceptance facility. The increase in gearing ratio was cushioned by the increase in total equity as a result of the increased retained earnings from the PAT recorded in the FYE 2024. Our retained earnings increased by RM8.03 million in the FYE 2024.

Our gearing ratio as at 31 December 2025 of 0.5 times was consistent with the gearing ratio as at 31 December 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

12.9 SIGNIFICANT FACTORS AFFECTING OUR BUSINESS

Please refer to Section 9 for the details of risk factors relating to our business and the industry in which we operate in. Some of these risk factors have an impact on our Group's revenue and financial performance. The main factors which affect our revenue and profit include but not limited to the following:

(a) We are subject to regulations, registrations and operational protocols to operate our business and export RCEBN

To ensure EBN food safety and compliance with major importing countries' standards, Malaysia has implemented a standardised equivalence assessment and review. Our processing facilities are required to obtain the GMP, HACCP and VHM to meet international standards and regulations. In addition, as China is Malaysia's largest importing country for EBN, to be able to export RCEBN to China, we are required to be registered with GACC to ensure adherence to strict regulations. Prior to being registered with GACC, our processing facilities are audited and subsequently endorsed by GACC. In addition, stringent QC measures, including sample inspections and laboratory testing, are enforced during the customs clearance procedures for export of RCEBN to China. Further, as an overseas registered processing enterprise that export food to China, we are also required to comply with our recorded export capacity ("**export quota**") with GACC. If the China authority were to introduce new rigorous procedures for EBN quality assurance as part of their regulatory requirements, bird's nest processing companies in Malaysia will have to enhance their procedures accordingly to meet these regulations. There is no assurance that the implementation of these procedures will not incur substantially higher cost that could adversely impact our profit margins in the future. Failure of our processing facilities to adhere to international standards and regulations of hygiene and sanitation, highest standards of quality and safety with the renewal of our certifications and registrations, including complying to our export quota, could halt exports to China and and other countries and thus, disrupt our business operations and consequently adversely impacting our sales, business operations and financial performance.

Please refer to Section 9.1.1 for further details.

(b) We are subject to the approval from GACC to export to China

We are currently registered with GACC and the registration with GACC is renewed every 5 years. There is no assurance that we will be able to renew or maintain this critical approval, and failure to do so would result in us not being able to export to China and with our privileges for export of RCEBN to China suspended by GACC to rectify the non-compliance.

We are also required to comply with our export quota with GACC. Our obligation to comply with China's quantity-control rules is so that our export of RCEBN can continue to enter China under applicable quota arrangements. We may face delays in obtaining higher export quotas from GACC (via DVS) due to factors beyond our control, including introduction of new regulatory requirements or collaborative protocols between the relevant government authorities in Malaysia and China which require close inter-governmental coordination. While we can continue to export based on our existing export quota, any delay in obtaining higher export quotas may restrict our capacity to increase our export volumes of RCEBN to China in the future, thus resulting in loss of potential business opportunities and revenue growth.

Please refer to Section 9.1.2 for further details.

12. FINANCIAL INFORMATION *(Cont'd)*

(c) Our processing activities are dependent on skilled labour and the availability of foreign workers

One of the existing challenges in RCEBN processing is the heavy reliance on skilled manpower. Processing RCEBN is tedious and demanding in nature, and is performed manually by hand to retain as much as possible the shape of the bird's nest. RCEBN processing often suffers from labour shortages with many skilled personnel resigning after acquiring skills. Although our Group has invested in bird's nest picking devices to reduce our labour needs for our processing operations, the processing of RCEBN still requires labour to perform cleaning. As such, the loss of trained skilled personnel without timely replacement may disrupt our business operations and decrease in output. This could consequently have an adverse impact on our sales and financial performance.

Please refer to Section 9.1.3 for further details.

(d) Our business and operations may be impacted by outbreaks of contagious and virulent diseases and widespread health epidemic

Our business operations may be adversely impacted by an outbreak of contagious and virulent diseases or widespread health pandemics. The occurrence of such a disaster or prolonged outbreak of contagious and virulent diseases which may be transmitted through animals, or birds may result in Government authorities in local and international markets to halt the sale or purchase of our products to curb the spread of the disease. In addition, any widespread of health epidemic may lead to a nationwide movement restriction imposed by the Government as a containment measure to curb the spread of the disease. If this were to occur, this may interrupt or halt business and economic activities, which may include our RCEBN processing activities. Such an event may temporarily suspend our business operations, or may result in us having to operate with reduced workforce capacity.

Please refer to Section 9.1.4 for further details.

(e) Any government investigations over food safety incidents in China, which is our largest consumer market, and the resulting negative publicity could adversely affect our business

Any government investigations over food safety incidents in China, which is our largest consumer market, and the resulting negative publicity may materially and adversely affect our business. In 2011, the EBN industry in Malaysia and Indonesia suffered a heavy loss when the China Government imposed a ban on trade and import due to the high nitrite content found in EBN. Following China's imposition of a ban on EBN imports from Malaysia and Indonesia, there was a notable reduction in the demand for Malaysia EBN, resulting in a decline in the prices of EBN. Consequently, safety standards on the processing of RCEBN was imposed to regulate the quality of Malaysia EBN. Any similar government investigation or negative publicity, whether directed at our business or the industry as a whole, could lead to a widespread recall of EBN products and/or a ban on trade and import of EBN products into China. A widespread recall of EBN products could lead to significant losses for our Group while a ban on trade and import of EBN products into China which would materially and adversely affect our business operations, sales and financial performance.

Please refer to Section 9.1.5 for further details.

12. FINANCIAL INFORMATION *(Cont'd)*

(f) We are subject to fluctuations in prices of RUBN

Our ability to control our costs, in part depends on our ability to secure RUBN, our primary supplies, that meet our quality standards at reasonable prices. The cost of RUBN supplies accounted for 81.4% and 85.5% of our total cost of sales for the FYEs 2023 and 2024, respectively. Going forward, we expect our cost of RUBN to continue to account for a significant portion of our cost of sales. The price of RUBN supplies is affected by factors such as changes in supply and demand, global including China economic conditions, relevant government regulations and policies, and outbreaks of diseases or any negative publicity regarding Malaysia EBN. Furthermore, any increase in the price of RUBN in Malaysia may cause us to adjust our product prices upward, which could in turn reduce the competitiveness of our RCEBN viz-a-viz players from other countries e.g. Indonesia. If we fail to meet our customers' price expectations, or if we are unable to compete effectively with our competitors, it could have a material adverse effect on our business, financial condition and results of operations.

Please refer to Section 9.1.6 for further details.

(g) We face competition in the EBN industry

We compete with domestic industry players involved in the processing of RCEBN products as well as exporters of EBN products in Indonesia in terms of pricing, product quality and ability to deliver in a timely manner. Apart from existing industry players, we may also face competition from new industry players. Competition faced from other industry players may lead to material and adverse effects on our Group's profitability and financial performance as we may be forced to offer more competitive prices in order to secure sales orders. Failure to compete may lead to material and adverse effects on our Group's track record and industry reputation, which may lead to loss of business to our competitors, affecting our overall business and financial performance.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 9.

12.11 IMPACT OF INFLATION

Our financial performance during the FYEs 2022 to 2025 was not significantly affected by the impact of inflation. However, there is no assurance that our business will not be adversely affected by the impact of inflation in the future.

12. FINANCIAL INFORMATION *(Cont'd)*

12.12 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS

(a) Impact of foreign exchange rates

The proportion of our sales transactions denominated in local and foreign currencies is as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Sales denominated in:								
(i) RM	9,489	8.4	25,523	21.2	49,936	34.2	59,193	37.4
(ii) RMB	103,173	91.3	94,802	78.8	96,271	65.8	99,176	62.6
(iii) USD	310	0.3	-	-	-	-	13	*
	112,972	**100.0**	**120,325**	**100.0**	**146,207**	**100.0**	**158,382**	**100.0**

Note:

* Represents less than 0.1%

We are exposed to foreign transactional currency as collectively 91.3%, 78.8%, 65.8% and 62.6% of our revenue were denominated in RMB for the FYEs 2022, 2023, 2024 and 2025, respectively. All our purchases are made locally and denominated in RM. Our Group's GP margin is therefore directly affected by fluctuations in RM and RMB currencies exchange rates.

A sensitivity analysis performed on our Group's foreign currency financial assets and liabilities as at 31 December 2025 indicates that, in the event of a 1.0% fluctuation of the RM against RMB, our PBT for the FYE 2025 would fluctuate by RM0.13 million. An appreciation of the RM against the RMB may adversely affect our financial performance and GP margin.

(b) Gain on foreign exchange

For the FYEs 2022 to 2025, our gains and losses from foreign exchange fluctuations are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Realised gain/(loss) on foreign exchange	1,206	246	(530)	(853)
Unrealised loss on foreign exchange	(218)	-	(213)	(52)
Net gain/(loss)	**988**	**246**	**(743)**	**(905)**

Realised gain on foreign exchange represents the difference in the foreign exchange rate as at the date of our invoice as compared to the foreign exchange rate when the payment for the invoice is received.

12. FINANCIAL INFORMATION *(Cont'd)*

If the foreign exchange rate as at the date of our invoice is lower as compared to the rate when the payment for the invoice is received, we will record a realised gain on foreign exchange. Conversely, if the foreign exchange rate as at the date of our invoice is higher as compared to the rate when the payment for the invoice is received, we will record a realised loss on foreign exchange.

Unrealised loss on foreign exchange represents the difference in the foreign exchange rate as at the date of our invoice as compared to the foreign exchange spot rates as at the end of each financial year.

(c) Impact of interest rates

Our exposure to changes in interest rate risk relates primarily to our borrowings from banks. We do not generally hedge interest rate risks. Our interest coverage ratio ranges between 8.2 times and 25.0 times for the FYEs 2022 to 2025, which indicates that our Group has been able to generate sufficient profits from operations to meet our interest serving obligations.

A sensitivity analysis performed on our Group based on the outstanding floating rate of total loans and borrowings as at 31 December 2025 indicates that our PBT for the FYE 2025 would increase or decrease by RM63,188, as a result of increase or decrease in interest rates by 25 basis points on these bank borrowings.

Our financial results for the FYE 2022 to FYE 2025 were not materially affected by fluctuations in interest rates.

(d) Impact of commodity prices

Our Group utilises RUBN in our processing and sale of RCEBN and trading of RUBN activities. Our RUBN are widely available in Malaysia and we source RUBN supplies from a large base of suppliers. Our health and personal care supplies are widely available in Malaysia and we source our supplies from a large base of distributors. The market prices of RUBN and RCEBN are subject to market fluctuations driven primarily by market demand and supply conditions.

For the FYE 2022 to FYE 2025 and up to LPD, our financial results were not materially affected by the fluctuations in commodity prices as our Group was able to pass on some of the increased costs to our customers.

12.13 ORDER BOOK

There is no order book as our sales are mainly based on purchase orders received with specifications and quantities required on an on-going basis.

12.14 DIRECTORS' STATEMENT ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

(i) Our Group's revenue is expected to remain sustainable with an upward growth trend, in line with the outlook of the EBN industry as set out in the IMR Report in Section 8;

(ii) Our liquidity is expected to improve further subsequent to the Public Issue given the additional funds to be raised for our Group to carry out our business strategies and future plans as stated in Section 7.17;

(iii) Our capital resources is expected to strengthen, considering the proceeds to be raised from the Public Issue as well as internally generated funds. We may consider debt funding for our business expansion should the need arises.

In addition to the above, our Board confirms that there are no circumstances which would result in a significant decline in our revenue and profitability or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

12.15 TREND INFORMATION

Based on our track record for the FYE 2022 to FYE 2025, the following trends may continue to affect our business:

(a) During the FYE 2022 to FYE 2025, more than 96.0% of our revenue was derived from our bird's nest segment. We expect that this segment to continue contributing significantly to our revenue in the future;

(b) During the FYE 2022 to FYE 2025, China was our main geographical focus for our bird's nest segment and it is expected that we will continue to focus on China for our bird's nest segment;

(c) The main components of our cost of sales are purchases which accounted for more than 90.5% of our total cost of sales during the FYE 2022 to FYE 2025. Moving forward, our cost of sales is expected to fluctuate in tandem with the growth of our business; and

(d) We achieved GP margins of 12.5%, 12.4%, 10.3% and 10.7% for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively. Moving forward, our GP margin will depend on, amongst others, our continued ability to manage our costs efficiently and secure our customers in the future.

As at LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

(i) Known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 7.9, 12.2, 12.9, 12.10, 12.11 and 12.12;

(ii) Material commitments for capital expenditure save as disclosed in Section 12.6;

(iii) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 7.9, 12.2, 12.9, 12.10, 12.11 and 12.12;

(iv) Known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save for those that had been discussed in Sections 7.9, 12.2, 12.9, 12.10, 12.11 and 12.12; and

(v) Known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 7.9, 12.2, 12.9, 12.10, 12.11 and 12.12.

12. FINANCIAL INFORMATION *(Cont'd)*

Based on the above, our Board is optimistic about the future prospects of our Group given the positive outlook of the EBN industry as set out in the IMR Report in Section 8, our Group's competitive strengths set out in Section 7.16 and our Group's intention to implement the business strategies as set out in Section 7.17.

12.16 DIVIDEND POLICY

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require our financiers' consent as set out in the respective facility agreements to pay dividends to our Company, if any. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no legal, financial, or economic restrictions on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

Our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to shareholders' approval. As at LPD, our Company does not have a fixed dividend policy.

No dividends were declared and paid by our subsidiaries, during the FYEs 2022 to 2025 up to LPD and we do not intend to declare and pay any dividends from LPD up to our Listing.

You should take note that this dividend policy merely describes our current intention and shall not constitute legally binding statements in respect of our future dividends that are subject to our Board's discretion.

When recommending the actual dividends for approval by shareholders or when declaring any interim dividends, our Board will consider, amongst others:

(a) our anticipated future operating conditions as well as future expansion, capital expenditures and investment plans;

(b) our operating cash flow requirements and financing commitments;

(c) our expected financial performance including return on equity and retained earnings;

(d) any restrictive covenants contained in our current and future financing arrangements;

(e) the availability of adequate reserves and cash flows; and

(f) any material impact of tax laws and regulatory requirements.

12.17 SIGNIFICANT CHANGES

Our Directors are not aware of any significant changes that has occurred which may have a material effect on our financial position and results since the date of our audited financial statements for the FYE 2025.

12. FINANCIAL INFORMATION *(Cont'd)*

12.18 CAPITALISATION AND INDEBTEDNESS

The following information should be read in conjunction with the Reporting Accountants' report on the pro forma statement of financial position set out in Section 14.

The table below summarises our capitalisation and indebtedness:

(a) Based on our Group's latest unaudited financial information as at 30 April 2026; and

(b) After adjusting for the effects of our IPO and utilisation of proceeds.

	Unaudited	**I**	**II**
	As at 30 April 2026	**After our IPO**	**After I and utilisation of proceeds**
	RM'000	**RM'000**	**RM'000**
Capitalisation			
Share capital	5,431	20,544	19,709
Total capitalisation	**5,431**	**20,544**	**19,709**
Indebtedness[(1)]			
Current			
Secured and guaranteed			
Bank overdraft	1,987	1,987	1,987
Term loans	553	553	455
Bankers' acceptances	14,513	14,513	10,188
Lease liabilities	49	49	49
Secured but unguaranteed			
Lease liabilities	43	43	43
Unsecured and unguaranteed			
Lease liabilities	410	410	410
Non-current			
Secured and guaranteed			
Term loans	12,030	12,030	11,589
Lease liabilities	77	77	77
Secured but unguaranteed			
Lease liabilities	222	222	222
Unsecured and unguaranteed			
Lease liabilities	448	448	448
Total indebtedness	**30,332**	**30,332**	**25,468**
Total capitalisation and indebtedness	**35,763**	**50,876**	**45,177**
Debt-to-capital ratio[(2)]	5.4	1.4	1.2

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

(1) All of our indebtedness are secured and guaranteed except for certain lease liabilities in relation to rental commitments that are unsecured without guarantee and a hire purchase that is secured without guarantee.

(2) Calculated based on total indebtedness (less lease liabilities in relation to rental commitments) divided by total capitalisation.

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