

# SECURITIES AND EXCHANGE COMMISSION

## FORM F-1

Registration statement for securities of certain foreign private issuers

Filing Date: **2024-08-08**  
SEC Accession No. [0001213900-24-066311](#)

([HTML Version](#) on [secdatabase.com](#))

### FILER

#### **Megan Holdings Ltd.**

CIK: **1995075** | IRS No.: **000000000** | Fiscal Year End: **1231**  
Type: **F-1** | Act: **33** | File No.: **333-281357** | Film No.: **241185856**  
SIC: **0200** Agricultural prod-livestock & animal specialties

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM F-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**MEGAN HOLDINGS LIMITED**

(Exact name of registrant as specified in its charter)

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<b>Cayman Islands</b>	<b>0273</b>	<b>Not Applicable</b>
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS. Employer Identification Number)

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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

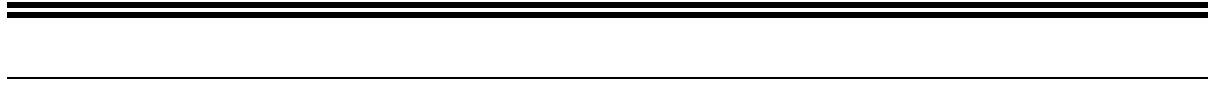
If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**



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**The information in this preliminary prospectus is not complete and may be changed or supplemented. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.**

**PRELIMINARY PROSPECTUS**

**SUBJECT TO COMPLETION, DATED AUGUST 8, 2024**



## **Megan Holdings Limited**

### ***1,250,000 Ordinary Shares***

This is the initial public offering of 1,250,000 ordinary shares, par value US\$0.0001 per share (the “Ordinary Shares”) of Megan Holdings Limited, a Cayman Islands exempted company. This offering is being conducted on a firm commitment basis. We expect that the offering price of our Ordinary Shares in this offering will be between US\$4.00 and US\$6.00 per share. Prior to this offering, there has been no public market for our Ordinary Shares.

We have applied to list our Ordinary Shares on the Nasdaq Capital Market under the symbol “MGN”. It is a condition to the closing of this offering that our Ordinary Shares qualify for listing on a national securities exchange, though our application might not be approved, and this offering may not be completed. There is no established public trading market for the Ordinary Shares, and such a market might never develop.

**We are an “emerging growth company” and a “foreign private issuer,” each as defined under the U.S. federal securities laws, and, as such, are eligible for reduced public company reporting requirements for this and future filings.**

Upon completion of this offering, our controlling shareholder, Mr. Darren Hoo, will be the beneficial owner of an aggregate of 10,845,000 Ordinary Shares, which will represent 66.7% of the then total issued and outstanding Ordinary Shares (or 66.0% of the then total issued and outstanding Ordinary Shares if the underwriters exercise their option to purchase additional Ordinary Shares in full). As a result, we will meet the definition of a “controlled company” under the corporate governance standards for Nasdaq listed companies. As a “controlled company,” we will be eligible to utilize certain exemptions from the corporate governance requirements of the Nasdaq Stock Market. Although we do not currently intend to rely on the “controlled company” exemptions under the Nasdaq listing rules, we could elect to rely on these exemptions in the event that we no longer qualify as a foreign private issuer.

**Investing in our Ordinary Shares involves a high degree of risk. Before buying any Ordinary Shares, you should carefully read the discussion of the material risks of investing in our Ordinary Shares under the heading “Risk Factors” beginning on page 8 of this prospectus.**

	Per Share		Total	
Initial public offering price	US\$	4.00	US\$	5,000,000
Underwriting Discounts and Commissions <sup>(1)</sup>	US\$	0.28	US\$	350,000
Proceeds to us, before expenses	US\$	3.72	US\$	4,650,000

- (1) We have agreed to pay the underwriters a discount equal to 7% of the gross proceeds of the offering. We have also agreed to pay to the representative of the underwriters 1% of the gross proceeds of the offering for non-accountable expenses and to reimburse certain accountable related to the offering. For a description of the compensation to be received by the underwriters, see “Underwriting”.

We have granted the underwriters an option exercisable within 45 days from the date of this prospectus to purchase up to an additional fifteen percent (15%) of the Ordinary Shares offered in this offering on the same terms solely to cover over-allotments, if any.

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expects to deliver the Ordinary Shares to purchasers against payment therefor on or about , 2024.

[            ]

*Sole Book-Running Manager*

Prospectus dated            , 2024.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information different from what is contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are not, making an offer to sell securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of the securities. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside of the United States, neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction, other than the United States,

where action for that purpose is required. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of our Ordinary Shares and the distribution of this prospectus outside of the United States.

Until and including [•], 2024 (the 25<sup>th</sup> day after the date of this prospectus), all dealers that buy, sell or trade our Ordinary Shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

## ABOUT THIS PROSPECTUS

Neither we nor any of the underwriters have authorized anyone to provide you with any information or to make any representations other than as contained in this prospectus or in any related free writing prospectus. Neither we nor the underwriters take responsibility for, and provide no assurance about the reliability of, any information that others may give you. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the securities. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction, other than the United States, where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the Ordinary Shares and the distribution of this prospectus outside the United States.

We obtained statistical data, market data and other industry data and forecasts used in this prospectus from market research, publicly available information and industry publications.



## PRESENTATION OF FINANCIAL INFORMATION

### *Basis of Presentation*

Unless otherwise indicated, all financial information contained in this prospectus is prepared and presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP” or “GAAP”).

Certain amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Accordingly, amounts, percentages and other figures shown as totals in certain tables or charts may not be the arithmetic aggregation of those that precede them and amounts and figures expressed as percentages in the text may not total 100% or, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Our financial year ends on December 31 of each year. References in this prospectus to a financial year, such as “financial year 2023”, relate to our financial year ended December 31 of that calendar year.

### *Financial Information in U.S. Dollars*

Our reporting currency is the Malaysian Ringgit. Fees generated from our services are denominated in Malaysian Ringgit or “RM”. This prospectus also contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates, income statement accounts are translated at average rates of exchange for the year and equity is translated at historical exchange rates. Any translation gains or losses are recorded in foreign currency translation reserve. Gains or losses resulting from foreign currency transactions are included in net income.

This prospectus contains translations of certain RM amounts into U.S. dollar amounts at specified rates solely for the convenience of the reader. All reference to “US dollars”, “USD” or “US\$” are to U.S. dollars. The relevant exchange rates are listed below:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Period Ended USD:RM exchange rate</b>	4.5903	4.4002	4.1750

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## MARKET AND INDUSTRY DATA

Certain market data and forecasts used throughout this prospectus were obtained from internal company surveys, market research, consultant surveys, reports of governmental and international agencies and industry publications and surveys including the Protégé Associates Report, a third-party global research organization, commissioned by our Company. Industry publications and third-party research, surveys and reports generally indicate that their information has been obtained from sources believed to be reliable. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Risk Factors” in this prospectus.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements that relate to our current expectations and views of future events. These forward-looking statements are contained principally in the sections entitled “Prospectus Summary”, “Risk Factors”, “Use of Proceeds”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Business”. These statements relate to events that involve known and unknown risks, uncertainties, and other factors, including those listed under “Risk Factors”, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as “is/are likely to,” “believe,” “plan,” “expect,” “intend,” “should,” “seek,” “estimate,” “will,” “aim,” “may,” “might,” “could” and “anticipate,” or other similar expressions, but these are not the exclusive means of identifying such statements. All statements other than statements of historical facts included in this document, including those regarding future financial position and results, business strategy, plans and objectives of management for future operations (including development plans and dividends) and statements on future industry growth are forward-looking statements.

These forward-looking statements are subject to risks, uncertainties, and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the heading “Risk Factors” and elsewhere in this prospectus. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance.

Forward-looking statements include, but are not limited to, statements about: the following:

- our business and operating strategies and our various measures to implement such strategies;
- our operations and business prospects, including development and capital expenditure plans for our existing business;
- changes in policies, legislation, regulations or practices in the industry and those countries or territories in which we operate that may affect our business operations;
- our financial condition, results of operations and dividend policy;
- changes in political and economic conditions and competition in the area in which we operate, including a downturn in the general economy;
- the regulatory environment and industry outlook in general;
- future developments in the supply of manpower and cleaning services, competition in our industry and actions of our competitors;
- catastrophic losses from man-made or natural disasters, such as fires, floods, windstorms, earthquakes, diseases, epidemics, other adverse weather conditions or natural disasters, war, international or domestic terrorism, civil disturbances and other political or social occurrences;
- the loss of key personnel and the inability to replace such personnel on a timely basis or on terms acceptable to us;
- the overall economic environment and general market and economic conditions in the jurisdictions in which we operate;
- our ability to execute our strategies;

- changes in the need for capital and the availability of financing and capital to fund those needs;

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- our ability to anticipate and respond to changes in the markets in which we operate, and in customer demands, trends and preferences;
- exchange rate fluctuations, including fluctuations in the exchange rates of currencies that are used in our business;
- changes in interest rates or rates of inflation; and
- legal, regulatory and other proceedings arising out of our operations.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results or performance may be materially different from what we expect.

This prospectus also contains certain data and information, which we obtained from various government and private publications. Although we believe that the publications and reports are reliable, we have not independently verified the data. Statistical data in these publications includes projections that are based on a number of assumptions. If any one or more of the assumptions underlying the market data is later found to be incorrect, actual results may differ from the projections based on these assumptions.

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## DEFINITIONS

Except where the context otherwise requires and for purposes of this prospectus only, references to:

“Amended and Restated Memorandum of Association” means the amended and restated memorandum of association of our Company adopted on January 8, 2024 and as supplemented, amended or otherwise modified from time to time.

“Amended and Restated Articles of Association” means the amended and restated articles of association of our Company adopted on January 8, 2024, as amended from time to time.

“Business Day” means a day (other than a Saturday, Sunday or public holiday in the U.S.) on which licensed banks in the U.S. are generally open for normal business to the public.

“CAGR” means compound annual growth rate.

“Company” or “our Company” means Megan Holdings Limited, an exempted company incorporated in the Cayman Islands on December 7, 2022.

“Companies Act” means the Companies Act (2023 Revision) of the Cayman Islands.

“COVID-19” means the Coronavirus Disease 2019.

“Directors” means the directors of our Company as at the date of this prospectus, unless otherwise stated.

“ECGL” means Eternity Capital Group Limited, a private limited liability company incorporated in Hong Kong on May 10, 2023.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Executive Directors” means the executive directors of our Company who are also employees of either our Company or MMSB as at the date of this prospectus, unless otherwise stated.

“Executive Officers” means the executive officers of our Company as at the date of this prospectus, unless otherwise stated.

“Group,” “our Group,” “we,” “us,” or “our” means our Company and its subsidiaries or any of them, or where the context so requires, in respect of the period before our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the businesses which have since been acquired or carried on by them or as the case may be their predecessors.

“Independent Directors Nominees” means the independent non-executive Directors of our Company as at the date of this prospectus, unless otherwise stated.

“KBSB” means Kheng Builders Sdn Bhd, a private company limited by shares incorporated in Malaysia on January 16, 2023.

“KLSB” means Kapiti Latino Sdn Bhd, a private company limited by shares incorporated in Malaysia on July 1, 2022.

“Malama” means Malama Sdn Bhd, a private company limited by shares incorporated in Malaysia on March 6, 2023.

“MHL” means Megan Holdings Limited, an exempted company incorporated in the Cayman Islands on December 7, 2022.

“MMSB” means Megan Mezanin Sdn Bhd, a private company limited by shares incorporated in Malaysia on February 13, 2020.

“Mr. Darren Hoo” means Hoo Wei Sern, our executive director, Chairman and Chief Executive Officer (“CEO”).

“MTSB” means Megan Technologies Sdn Bhd, a private company limited by shares incorporated in Malaysia on March 18, 2024.

“RM” means Malaysian ringgit, the lawful currency of Malaysia.

“SEC” or “Securities and Exchange Commission” means the United States Securities and Exchange Commission.

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“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Share Swap Agreement” means the share swap agreement dated July 31, 2024 entered into between SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC with MHL for the acquisition by MHL of the entire issued shares in MMSB.

“SJCC” means SJCC Holdings Sdn Bhd, a private company limited by shares incorporated in Malaysia on January 31, 2023.

“Smart Farming System” means the farm management system that MMSB that plans to develop and is expected to leverage on Information Technology (IT) infrastructure for data collection, farm monitoring and analysis.

“SSL” means Star Sprite Limited, a company incorporated in the BVI on November 30, 2022 and wholly owned by Mr. Darren Hoo.

“US\$” or “USD” or “U.S. Dollars” means U.S. dollar(s), the lawful currency of the United States of America.

“USSB” means Usaha Sedava Sdn Bhd, a private company limited by shares incorporated in Malaysia on June 8, 2022.

“YHCML” means Yat Ho Construction Materials Limited, a private limited liability company incorporated in Hong Kong on October 3, 2023.



## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that may be important to you, and we urge you to read this entire prospectus carefully, including the “Risk Factors,” “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections and our consolidated financial statements and notes to those statements, included elsewhere in this prospectus, before deciding to invest in our Ordinary Shares. This prospectus includes forward-looking statements that involve risks and uncertainties. See “Special Note Regarding Forward-Looking Statements.”*

### Overview

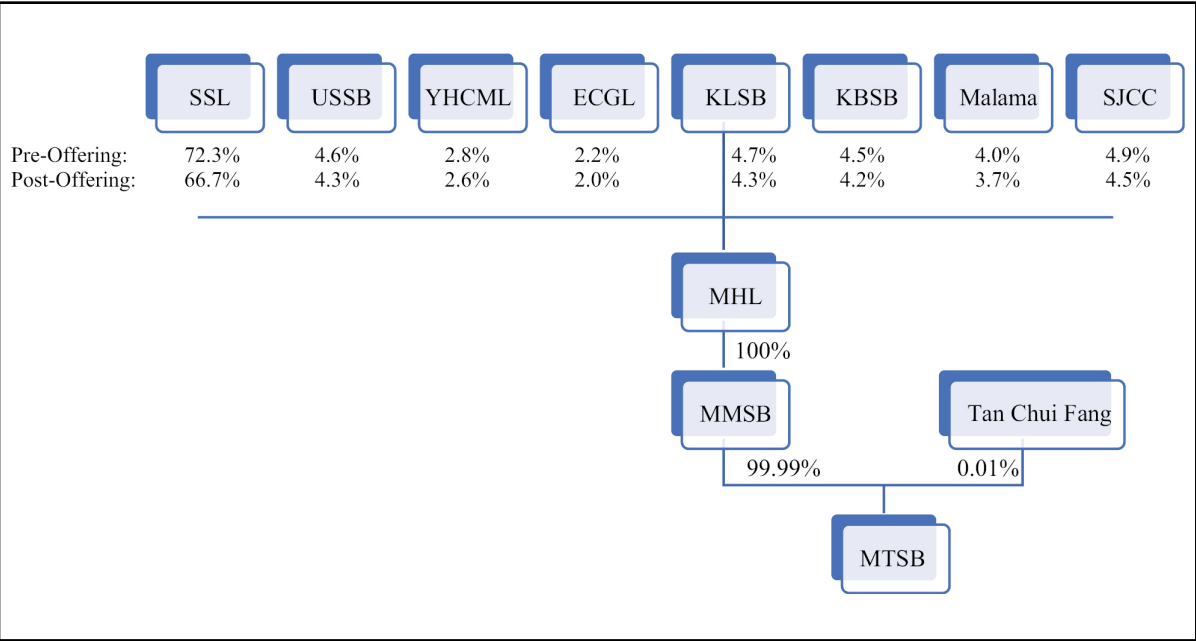
We are a company principally engaged in the development, construction and maintenance of aquaculture farms and related works. Our operations are based in Malaysia. Since our inception in 2020, we have strived to establish ourselves as a trusted and experienced provider of shrimp farm related maintenance services in Malaysia. As of the date of this prospectus, we have been carrying out a series of upgrading and maintenance works for aquaculture farms, all of which are located in Tawau, Sabah, Malaysia. This constitutes 71.8%, 43.7% and 15.5% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively. Besides that, we also carried out upgrading works for a pineapple plantation farm located at Kota Tinggi, Johor, Malaysia in 2022 and 2023. This constituted nil, 25.3% and 22.6% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively.

Complementary to our upgrading and maintenance services, we also assist customers with the design and development of new farms. As of the date of this prospectus, we are currently involved in the development and construction of a shrimp hatchery center in Semporna, Sabah, Malaysia, where we have been engaged to undertake the construction of hatchery buildings and related functional facilities. We are also assisting in the development of a 111-acre shrimp farm at Tawau, Sabah, Malaysia. The design and development of new farms comprised 22.2%, 16.4% and 61.7% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively. From time to time, we also assist our customers in sourcing for building materials and machineries available for rental for use on their farms. This comprised 6.0%, 14.6% and 0.2% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively.

With our wide suite of services and diverse revenue streams, we are well-positioned to serve customers as a one-stop center for their aquaculture and agriculture needs.

### Corporate Structure

Below is a chart illustrating our post re-organization corporate structure:



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The re-organization, which was to enable MMSB to become a wholly owned subsidiary of MHL (the intended listing entity), was completed on July 31, 2024, each of SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC, being the shareholders of MMSB as of the date of the Share Swap Agreement, transferred their respective shares in MMSB, representing in aggregate 100% of the issued share capital of MMSB, to MHL. The consideration for the share transfers was satisfied by the allotment and issuance of 14,999,999 Ordinary Shares in aggregate to SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC, each credited as fully paid, in proportion to their respective shareholdings in MMSB. Following the completion of the Share Swap Agreement on July 31, 2024, MHL is now the holding company of MMSB, whereas SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC are now the shareholders of MHL.

### **Holding Company Structure**

MHL is a holding company incorporated in the Cayman Islands with no material operations of its own. We conduct our operations primarily in Malaysia via MMSB.

### **Competitive Strengths**

- **Cost effective solutions.** Our company offers shrimp farmers a comprehensive suite of services encompassing consultancy, design, construction, maintenance, and repair. This all-inclusive approach affords our customers the convenience of a single point of contact for all their shrimp farming requirements, streamlining their operations, and delivering tangible cost and time savings.
- **Strong relationships.** We have established strong and stable relationships with key suppliers and customers in Malaysia over the last three years.
- **We have an experienced management team.** We have an experienced management team, led by Mr. Darren Hoo, our Chairman and CEO, who has been instrumental in spearheading the growth of our company. He has over 10 years of experience in the aquaculture and agriculture industries in Malaysia and is primarily responsible for the planning and execution of our Company's business strategies and managing our Company's customer relationships.

### **Growth Strategy**

- **Market Development.** We are actively exploring new customers in Malaysia, and international markets, beginning with Indonesia, leveraging our reputation and customer base to build new relationships and increase market share for continued success in the industry.
- **Strategic growth initiatives.** As our customer base grows, we aim to identify potential partners for equity participation, creating recurring revenue streams and mutually beneficial relationships to drive our industry success.
- **Product Development.** We believe that our forthcoming Smart Farming System could serve as a pivotal driver for business growth and a transformative tool in aquaculture and agriculture. We are planning for our Smart Farming System to offer several features including (a) water quality monitoring, (b) feeding optimization, (c) disease prevention, (d) environmental monitoring and (e) data analytics. Overall, the hardware development for our Smart Farming System will require a combination of sensors, actuators, cameras, control systems, connectivity, and power supply, all working together to optimize yields, improve resource efficiency, and promote sustainable farming practices. Our system could closely monitor the operating parameters of each pond and alert customers to any irregularities, enabling them to take corrective action and improve yield. In addition, the system could capture data that our customers can use to analyze operational costs, estimate yields, and make informed decisions about their farm's financial performance.

**Transfers of Cash to and from Our Subsidiary**

MHL is permitted under the laws of the Cayman Islands to provide funding to our subsidiary incorporated in Malaysia through loans or capital contributions without restrictions on the amount of the funds. Save for (a) when future financing arrangements between our subsidiary and its creditors may contain negative covenants that limit the ability of our

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subsidiary to declare or pay dividends or make distributions or (b) our subsidiary is restricted from declaring or paying such dividends or making such distributions under the Malaysian Companies Act, 2016, which stipulates that dividends are to be paid out of our subsidiary's profits and that the dividends should not be paid if the payment of such dividends or making such distributions will cause our subsidiary to be insolvent (i.e. our subsidiary being unable to pay its debts as and when the debts become due within 12 months immediately after the payment distribution is made), there are no other restrictions on dividends transfers from Malaysia to the Cayman Islands. As of the date of this prospectus, all corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government of Malaysia does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. For the transfer of assets from our subsidiary to the holding company, there are no governmental laws, decrees, regulations, or other legislations that may affect such transfer. However, such transfer of assets may be subject to withholding taxes (if any). The same applies to the transfer of cash from our subsidiary to the holding company upon the presentation of the necessary documentary evidence required by local banks or financial institutions. As of the date of this prospectus, there has not been any assets or cash transfer between the holding company and its subsidiary, and our subsidiary is not restricted from declaring any dividends as our subsidiary currently has sufficient profits and the payment of such dividends or making such distributions will not cause our subsidiary to be insolvent. We have not installed any cash management policies that dictate the amount of such funding.

### **Implications of Our Being a “Controlled Company”**

Upon completion of this offering, our controlling shareholder, Mr. Darren Hoo, will be the beneficial owner of an aggregate of 10,845,000 Ordinary Shares, which will represent 66.7% of the then total issued and outstanding Ordinary Shares (or 66.0% of the then total issued and outstanding Ordinary Shares if the underwriters exercise their option to purchase additional Ordinary Shares in full). As a result, we will remain a “controlled company” within the meaning of the Nasdaq Stock Market Rules, and therefore we are eligible for certain exemptions from the corporate governance listing requirements of the Nasdaq Stock Market Rules. For so long as we are a controlled company, we are permitted to elect to rely, and may rely, on certain exemptions from corporate governance rules, including:

- an exemption from the rule that certain committees be solely composed of independent directors;
- an exemption from the rule that the compensation of our directors and officers be determined or recommended solely by independent directors; and
- an exemption from the rule that our director nominees be selected or recommended solely by independent directors or a committee composed solely of independent directors.

Although we do not currently intend to rely on the “controlled company” exemptions under the Nasdaq listing rules, we could elect to rely on these exemptions in the event that we no longer qualify as a foreign private issuer.

As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. See “Risk Factors — Risks Relating to this Offering and the Trading Market —

Additionally, pursuant to Nasdaq’s phase-in rules for newly listed companies, we have one year from the date on which we are first listed on Nasdaq to comply fully with the Nasdaq listing standards. We do not plan to rely on the phase-in rules for newly listed companies and will comply fully with the Nasdaq listing standards at the time of listing.

### **Implications of Being a Foreign Private Issuer**

We are a foreign private issuer within the meaning of the rules under the Exchange Act. As such, we are exempt from certain provisions applicable to U.S. domestic public companies. For example:

- we are not required to provide as many Exchange Act reports, or as frequently, as a domestic public company;
- for interim reporting, we are permitted to comply solely with our home country requirements, which are less rigorous than the rules that apply to domestic public companies;
- we are not required to provide the same level of disclosure on certain issues, such as executive compensation;

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- we are exempt from the provisions of Regulation FD aimed at preventing issuers from making selective disclosures of material information;
- we are not required to comply with the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act; and
- we are not required to comply with Section 16 of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and establishing insider liability for profits realized from any “short-swing” trading transaction.

### **Implications of Being an Emerging Growth Company**

As a company with less than US\$1.235 billion in revenues during our last financial year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An “emerging growth company” may take advantage of reduced reporting requirements that are otherwise applicable to larger public companies. In particular, as an emerging growth company, we:

- may present only two years of audited financial statements and only two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations, or “MD&A”;
- are not required to provide a detailed narrative disclosure discussing our compensation principles, objectives and elements and analyzing how those elements fit with our principles and objectives, which is commonly referred to as “compensation discussion and analysis”;
- are not required to obtain an attestation and report from our auditors on our management’s assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;
- are not required to obtain a non-binding advisory vote from our shareholders on executive compensation or golden parachute arrangements (commonly referred to as the “say-on-pay,” “say-on-frequency” and “say-on-golden-parachute” votes);
- are exempt from certain executive compensation disclosure provisions requiring a pay-for-performance graph and chief executive officer pay ratio disclosure;
- are eligible to claim longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act; and
- will not be required to conduct an evaluation of our internal control over financial reporting.

We intend to take advantage of all of these reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act. Our election to use the phase-in periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the phase-in periods under §107 of the JOBS Act.

### **Summary of Risk Factors**

Our business is subject to multiple risks and uncertainties, as more fully described in “Risk Factors” and elsewhere in this prospectus. We urge you to read “Risk Factors” and this prospectus in full. Our principal risks may be summarized as follows:

### **Risks Related to Our Business and Industry**

Risks and uncertainties related to our business and industry include, but are not limited to, the following:

- As we from time to time engage subcontractors in our work, we may bear responsibilities for any non-performance, delayed performance, sub-standard performance, or non-compliance of our subcontractors.
- We are dependent on a small number of key customers for continued sale of our services.



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- The primary substantial portion of our revenues will be derived from Malaysia.
- We are a holding company, and we are accordingly dependent upon distributions from our subsidiary, MMSB, to service our debt and pay dividends, if any, taxes and other expenses.
- We depend on a small number of individuals who constitute our current management.
- We will need to grow the size and capabilities of our organization, and we may experience difficulties in managing this growth.
- Our business is subject to supply chain interruptions.
- Our business and operations may be materially and adversely affected in the event of a re-occurrence or a prolonged global pandemic outbreak of COVID-19.
- We may from time to time be subject to legal and regulatory proceedings and administrative investigations.
- Our business may be affected by technological changes and developments.
- We have a limited operating history in an evolving industry, which makes it difficult to evaluate our prospects and may increase the risk that we will not be successful.
- Our historical growth and performance may not be indicative of our future growth and performance.
- We may not be able to successfully implement our business strategies and future plans.
- We may not be able to successfully develop our Smart Farming System.

### ***We are exposed to risks arising from fluctuations of foreign currency exchange rates.***

- We do not have, and may be unable to obtain, sufficient insurance to insure against certain business risks. As a result, we may be exposed to significant costs and business disruption.
- We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine. Our business, financial condition and results of operations may be materially and adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine, the conflict in Israel or any other geopolitical tensions.
- We are exposed to risks in respect of acts of war, terrorist attacks, epidemics, political unrest, adverse weather conditions and other uncontrollable events.
- Any adverse changes in the political, economic, legal, regulatory, taxation or social conditions in the jurisdictions that we operate in or intend to expand our business may have a material adverse effect on our operations, financial performance and future growth.
- You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.
- Certain judgments obtained against us or our auditor by our shareholders may not be enforceable.
- We have engaged in transactions with related parties, and such transactions present possible conflicts of interest that could have an adverse effect on our business and results of operations.
- We depend on a small number of key suppliers for continued provision of our services.
- We are exposed to the credit risks of some our customers.

- There may be potentially adverse impacts on our corporate governance because of the indemnification provisions in our articles of association pertaining to our directors and officers liability.

### **Risks Relating to this Offering and the Trading Market**

- If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of our Ordinary Shares may be materially and adversely affected.
- An active trading market for our Ordinary Shares may not be established or, if established, may not continue and the trading price for our Ordinary Shares may fluctuate significantly.
- We may not maintain the listing of our Ordinary Shares on Nasdaq which could limit investors' ability to make transactions in our Ordinary Shares and subject us to additional trading restrictions.
- The trading price of our Ordinary Shares may be volatile, which could result in substantial losses to investors.
- Certain recent initial public offerings of companies with public floats comparable to the anticipated public float of our Company have experienced extreme volatility that was seemingly unrelated to the underlying performance of the respective company. We may experience similar volatility. Such volatility, including any stock-run up, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our Ordinary Shares.
- If securities or industry analysts do not publish research or reports about our business causing us to lose visibility in the financial markets or if they adversely change their recommendations regarding our Ordinary Shares, the market price for our Ordinary Shares and trading volume could decline.
- Short selling may drive down the market price of our Ordinary Shares.
- Because our public offering price per share is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.
- You must rely on the judgment of our management as to the uses of the net proceeds from this offering, and such uses may not produce income or increase our share price.
- Our controlling shareholder has substantial influence over the Company. Its interests may not be aligned with the interests of our other shareholders, and it could prevent or cause a change of control or other transactions.
- As a company incorporated in the Cayman Islands, we are permitted to follow certain home country practices in relation to corporate governance matters in lieu of certain requirements under Nasdaq corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.
- We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements applicable to other public companies that are not emerging growth companies.
- We are a foreign private issuer within the meaning of the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

### **Corporate Information**

Our principal executive office is located at B-01-07, Gateway Corporate Suites, Gateway Kiaramas, No.1, Jalan Desa Kiara, 50480 Mont Kiara, Kuala Lumpur, Malaysia. The telephone number of our principal executive office is +60 3 6420 1071. Our registered office in the Cayman Islands is located at Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc. located at 122

E. 42<sup>nd</sup> Street, 18<sup>th</sup> Floor, New York, New York 10168. We maintain a website at [www.meganmezanin.com](http://www.meganmezanin.com). We do not incorporate the information on our website into this prospectus and you should not consider any information on, or that can be accessed through, our website. It is included solely as an inactive textual reference.

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**THE OFFERING**

Shares Offered	1,250,000 Ordinary Shares, assuming an offering price of US\$4.00, the low end of the price range included on the cover page of this prospectus (or 1,437,500 Ordinary Shares if the underwriters exercise their over-allotment option in full).
Over-Allotment Option	We have granted to the underwriters a 45-day option to purchase from us up to an additional 15% of the Ordinary Shares sold in this offering, solely to cover over-allotments, if any, at the initial public offering price less the underwriting discounts.
Ordinary Shares outstanding prior to completion of this offering	15,000,000 Ordinary Shares.
Ordinary Shares outstanding immediately after this offering	16,250,000 Ordinary Shares (or 16,437,500 Ordinary Shares if the underwriters exercise their over-allotment option in full).
Voting Rights:	Holder of Ordinary Shares are entitled to one (1) vote per share. Mr. Darren Hoo, through SSL, will beneficially own ordinary shares representing approximately 66.7% of the total votes, assuming that the underwriters do not exercise their over-allotment option, for our issued and outstanding share capital following the completion of this offering and will have the ability to control the outcome of matters submitted to our shareholders for approval, including the election of our directors and the approval of any change in control transaction.
Lock-up:	We, our directors, executive officers and all shareholders of the issued and outstanding Ordinary Shares are expected to enter into lock-up agreements with the underwriters not to sell, transfer or dispose of any Ordinary Shares for a period of one hundred and eighty (180) after this Offering is completed.
Listing:	We have applied to list our Ordinary Shares on the Nasdaq Capital Market. No assurance can be given that our application will be approved.
Proposed Nasdaq Capital Market Symbol:	“MGN.”
Transfer Agent:	VStock Transfer, LLC.
Risk Factors:	You should read the “Risk Factors” section of this prospectus for a discussion of factors that you should consider carefully before deciding to invest in our Ordinary Shares.
Use of Proceeds:	We intend to use the net proceeds to us from this offering for working capital and other general corporate purposes, including to finance the development of new products (including our Smart Farming System), sales and marketing activities, capital expenditures and the costs of operating as a public company. See “Use of Proceeds” for more information.

Unless otherwise stated, all information in this prospectus assumes no exercise of the underwriters' over-allotment option to purchase additional shares.

## RISK FACTORS

*An investment in our securities carries a significant degree of risk. You should carefully consider the following risks before you decide to purchase the shares. Any one of these risks and uncertainties has the potential to cause material adverse effects on our business, prospects, financial condition and operating results which could cause actual results to differ materially from any forward-looking statements expressed by us and a significant decrease in the value of our Ordinary Shares.*

*We may not be successful in preventing the material adverse effects that any of the following risks and uncertainties may cause. These potential risks and uncertainties may not be a complete list of the risks and uncertainties facing us. There may be additional risks and uncertainties that we are presently unaware of, or presently consider immaterial, that may become material in the future and have a material adverse effect on us. You could lose all or a significant portion of your investment due to any of these risks and uncertainties.*

### Risks Related to Our Business and Industry

*As we depend on subcontractors significantly in the course of our work, we may bear responsibilities for any non-performance, delayed performance, sub-standard performance, or non-compliance of our subcontractors.*

We subcontract certain portions of our projects, such as the construction and maintenance of the aquaculture farms of our customers, to our subcontractors who are independent third parties. Subcontracting may expose us to risks associated with non-performance, delayed performance, or sub-standard performance by our subcontractors. As a result, we may experience deterioration in the quality or delivery of our work, incur additional costs due to the delays, suffer a higher price in sourcing the services, equipment or supplies in default, or be subject to liability under the relevant projects. Such events could impact upon our profitability, financial performance, and reputation, or result in litigation or damage claims.

There is no assurance that we would be able to monitor the performance of our subcontractors as directly and efficiently as with our own staff. If our subcontractors fail to meet our requirements, we may experience delay in project completion, quality issues concerning the work done, or non-performance by subcontractors. Consequently, we may incur significant time and costs to carry out remedial actions, which would in turn adversely affect the profitability and reputation of our business and result in litigation or damage claims against us. If our subcontractors violate any laws, rules, or regulations, we may also be held liable for their violations and be subject to claims for losses and damages if such violations result in any personal injuries and/or property damages.

In addition, our subcontractors may not always be readily available whenever we need to engage them, and there is no assurance that we would be able to maintain good working relationships with our sub-contractors in the future. As at the date of this prospectus, we had not entered into any long-term service agreement with our subcontractors. Further, there is no assurance that we would be able to find suitable alternative subcontractors that meet our project needs and requirements to complete the projects, which would in turn adversely affect our operations and financial results.

*We are dependent on a small number of key customers for continued sale of our services.*

Our revenue is concentrated among a small number of customers. In the financial years ended December 31, 2021, 2022, and 2023, our top 2 customers accounted for 77.8% and 70.1% and 77.8% of our revenue respectively. If any of these customers were to reduce or cease their business with the Company, it could have a material adverse impact on the Company's financial condition and results of operations.

The Company has taken steps to mitigate its customer concentration risk by diversifying its customer base and developing long-term relationships with its key customers. However, the Company remains exposed to customer concentration risk, and any significant changes in the business of its key customers could have a material adverse impact on its business.

In addition, the Company's business is dependent on the continued success of its customers. If any of the Company's customers were to experience financial difficulties or cease operations, it could have a material adverse impact on the Company's business.



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The Company is aware of the risks associated with customer concentration and is taking steps to mitigate these risks. However, investors should be aware of the potential for customer concentration to have a material adverse impact on the Company's business.

### ***The primary substantial portion of our revenues will be derived from Malaysia.***

In the financial years ended December 31, 2021, 2022, and 2023, all our revenue derived from operations in Malaysia. We anticipate that sales of our services in Malaysia will represent the majority of our revenues in the near future. Any significant decline in the condition of the economy of Malaysia could adversely affect consumer demand for our services, among other things, which in turn would have a material adverse effect on our business and financial condition. Such a decline would occur from numerous factors outside of our control including geopolitical disputes, regional and global economic trends and climatic and environmental disasters.

### ***We are a holding company, and we are accordingly dependent upon distributions from our subsidiary, MMSB, to service our debt and pay dividends, if any, taxes and other expenses.***

We are a Cayman Islands holding company and have no material assets other than ownership of equity interests in our subsidiary. We have no independent means of generating revenue. We intend to cause our subsidiary to make distributions to their shareholders in an amount sufficient to cover all applicable taxes payable and dividends, if any, declared by us. Our ability to service our debt, if any, depends on the results of operations of our subsidiaries and upon the ability of our subsidiary to provide us with cash, whether in the form of dividends, loans or other distributions, to pay amounts due on our obligations. Future financing arrangements may contain negative covenants that limit the ability of our subsidiary to declare or pay dividends or make distributions. Our subsidiary is a separate and distinct legal entity; to the extent that we need funds, and our subsidiary is restricted from declaring or paying such dividends or making such distributions under applicable law or regulations or are otherwise unable to provide such funds (for example, due to restrictions in future financing arrangements that limit the ability of our subsidiary to distribute funds), our liquidity and financial condition could be materially harmed.

### ***We depend on a small number of individuals who constitute our current management.***

We highly depend on the services of our senior management team including Mr. Darren Hoo and Mr. Ng Kai Tie. The death, disability or other loss of members of our senior management team could result in us being unable to replace such member on reasonable economic terms or in a time period that meets our proposed plan of operations, if we are able to do so at all. We do not carry key-employee insurance to compensate us for the loss of any such individuals.

Our ability to recruit, retain, and motivate key employees may be hampered by market conditions. Competition for such employees can be intense, and the inability to attract and retain the additional qualified employees required to expand our activities, or the loss of current key employees could adversely affect our operating efficiency and financial condition. In addition, our growth strategy may place strains on our management who may become distracted from day-to-day duties.

### ***We will need to grow the size and capabilities of our organization, and we may experience difficulties in managing this growth.***

As our business strategies develop, we must add additional managerial, operational, financial, and other personnel. Future growth will impose significant added responsibilities on members of management, including:

- Identifying, recruiting, integrating, maintaining, and motivating additional personnel. We primarily focus on project management and outsource the physical groundwork to many sub-contractors. We rely on these sub-contractors to minimize our need to tackle issues relating to management of workers which allows us to focus on the execution of the projects and their progress. To ensure that the prices paid to the related party subcontractors are market prices, all our subcontractors undergo a fair tender process for the projects involved before we engage them;

- Managing our internal development efforts effectively, while complying with our contractual obligations to contractors and other third parties; and
- Improving our operational, financial, and management controls, reporting systems, and procedures.

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Our future financial performance will depend, in part, on our ability to effectively manage any future growth, which might be impacted by the COVID-19 outbreak, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities. This lack of long-term experience working together may adversely impact our senior management team's ability to effectively manage our business and growth.

We primarily focus on project management. As a result, we currently rely, and for the foreseeable future will continue to rely, in substantial part on various sub-contractors who undertake various on-site groundwork such as earthwork, building structural works, mechanical and electrical works, equipment supply and installation works. We rely on sub-contractors in order to minimize our need to tackle issues relating to man-management of workers, which allows us to focus on the execution of the projects and their progress. To ensure that the prices paid to the related party subcontractors are market prices, all our subcontractors undergo a fair tender process for the projects involved before we engage them. The services of these subcontractors might not continue to be available to us on a timely basis when needed, and we might not be able to find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, we may not be able to advance our business. We might not be able to manage our existing subcontractors or find other competent outside contractors and consultants on economically reasonable terms, if at all. If we are not able to effectively expand our organization by hiring new employees and expanding our groups of subcontractors, we may not be able to successfully implement the tasks necessary to further develop our business initiatives and, accordingly, may not achieve our research, development, and commercialization goals. These risks may materially adversely affect our ability to attain or maintain profitable operations.

### ***Our business is subject to supply chain interruptions.***

We work with third-party logistic providers for the transportation of our aquaculture and agriculture related equipment and industrial-grade hardware. We rely on such third-party service providers' abilities to deliver our equipment as part of the supply chain logistics. The factors that can adversely affect our operations include, but are not limited to:

- interruptions to our delivery capabilities;
- failure of third-party service providers to meet our standards or their commitments to us;
- increasing transportation costs, shipping constraint or other factors that could impact cost, such as having to find more expensive service providers which may or may not be readily available; and
- the COVID-19 and disruptions as a result of efforts to control or mitigate the pandemic (such as facility closures, governmental orders, outbreaks and/or transportation capacity).

Furthermore, any increased costs from delays, cancellations, and insurance, or disruption to, or inefficiency in, the supply chain network of our third-party service providers, whether due to geopolitical conflicts, COVID-19, outbreaks, or other factors, could affect our revenue and profitability. Please refer to the risk factors "Our business and operations may be materially and adversely affected in the event of a re-occurrence or a prolonged global pandemic outbreak of COVID-19" set out below in this prospectus, for details on how these recent events have caused interruptions to our supply chain and impacted our operations. If we fail to manage these risks effectively, we could experience a material adverse impact on our reputation, revenue, and profitability.

### ***Our business and operations may be materially and adversely affected in the event of a re-occurrence or a prolonged global pandemic outbreak of COVID-19.***

The global pandemic outbreak of COVID-19 announced by the World Health Organization in early 2020 has disrupted our operations, and the operations of our customers, suppliers, and/or sub-contractors. If the development of the COVID-19 outbreak becomes more severe and/or new variants of COVID-19 evolve to be more transmissible and virulent than the existing strains, this may result in a tightening of restrictions and regulations on businesses. If we or our customers, suppliers, and sub-contractors are forced to close their businesses with prolonged disruptions to their operations, we may experience a delay or shortage of supplies and/or services by our suppliers and sub-contractors, or termination of our orders and contracts by our customers.

In addition, if any of our sub-contractors are suspected of having contracted COVID-19, some or all of our employees may be quarantined thus causing a shortage of labor and we will be required to disinfect our workplace and our production and processing facilities. In such event, our operations may be severely disrupted, which may have a material and adverse effect on our business, financial condition, and results of operations.

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In addition, we have also faced difficulties in engaging suitable subcontractors from overseas jurisdictions due to travel restrictions imposed by the Malaysian Government as a result of the COVID-19 pandemic during financial years 2021 and 2022. This has led to a stagnation in our ability to take on larger projects, thereby affecting our potential growth as we rely heavily on manual labor from our sub-contractors.

### ***We may from time to time be subject to legal and regulatory proceedings and administrative investigations.***

We may from time to time be subject to various legal and regulatory proceedings arising in the ordinary course of our business. Claims and complaints arising out of actual or alleged violations of laws and regulations or breach of contract could be asserted against us by contractors, customers, employees, ex-employees and other platforms, industry participants or governmental entities in administrative, civil or criminal investigations and proceedings or by other entities. These investigations, claims and complaints could be initiated or asserted under or on the basis of a variety of laws in different jurisdictions.

A substantial portion of our revenue is derived from services related to shrimp farming, which if done incorrectly can pollute nearby groundwater or coastal estuaries which may result in our customer being exposed to environmental claims whereby the customer may suffer claims and actions brought against them by the relevant governmental entities or other third parties. In the event of the above, the customer may be subject to an action by the relevant governmental entities for the contravention of the Malaysian Environmental Quality Act 1974 (“EQA 1974”) which is the principal law governing the prevention, abatement, control of pollution and enhancement of the environment in Malaysia, wherein if found guilty of such contravention, the customer may be liable to fines and/or imprisonment. The customer may also be subject to claims brought by third parties against the customer for damages suffered by such third party due to the customer’s negligence under common law. For clarity, any potential actions by the relevant governmental entities for any alleged violations of the EQA 1974 are primarily made against the customer as the owner/occupier of the subject premise. Any potential liability we may face is limited to the circumstance where the customer may commence legal proceedings against us for damages for breach of contract or claim against us for compensation if the damages suffered by the customer is a direct result of our action or negligence. As such, we believe that any violations of the EQA 1974 by the customer would not have any material impact to our operations. However, if the customer’s business is materially affected as a result of any actions by the relevant governmental entities for such violations, our business may be affected due to the customer concentration risk disclosed above. We are therefore actively taking steps to mitigate our customer concentration risk by diversifying our customer base.

There may be additional exposure under including intellectual property laws, data protection and privacy laws, labor and employment laws, securities laws, finance services laws, tort laws and contract laws. There is no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. If we fail to defend ourselves in these actions, we may be subject to restrictions, fines or penalties that will materially and adversely affect our business, prospects, financial condition and results of operations. Even if we are successful in our defense, the process of communicating with relevant regulators, defending ourselves and enforcing our rights against the various parties involved may be expensive, time-consuming and ultimately futile. These actions could expose us to negative publicity, substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses necessary for our business operation. Under such circumstances, our business, prospects, financial condition and results of operations would be negatively and adversely impacted.

### ***Our business may be affected by technological changes and developments.***

We may be affected by rapid changes in technology, changing market trends and evolving industry standards across all areas of our business. The risks we may face include but are not limited to:

- (a) not being able to anticipate and adapt to new technology and developing technology trends in the aquaculture and agriculture sector;
- (b) our competitors developing more innovative and efficient solutions as compared to us; and

- (c) not being able to expand our suite of agriculture and aquaculture solutions and resources quickly enough to keep up with demand.

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Accordingly, our success depends on our ability to innovate and adapt our solutions to meet evolving industry standards and our customers' expectations. We have invested, and expect to continue to invest, substantial time, capital, and other resources in understanding the needs of our customers and developing technologies, tools, features, and service offerings to meet those needs. Our current and future offerings might not be satisfactory to or broadly accepted by customers, or competitive with the offerings of our competitors. If our current or future offerings are unable to meet industry and customer expectations in a timely and cost-effective manner, our business, prospects, financial condition, and results of operations may be adversely affected.

Furthermore, technological development is inherently challenging, time-consuming, and expensive, and the nature of development cycles may result in delays between the time we incur expenses and the time we make available new offerings and generate revenue, if any, from those investments. Anticipated customer demand for an offering we are developing could also decrease after the development cycle has commenced, and we would not be able to recoup substantial costs we incurred. In addition, we might not be able to identify, design, develop, implement, and utilize, in a timely and cost-effective manner, technology necessary for us to compete effectively, that such technology will be commercially successful, or that products and services developed by others will not render our offerings non-competitive or obsolete. If we do not achieve the desired outcome from our technological investments, our business, prospects, financial condition, and results of operations may be adversely affected.

***We have a limited operating history in an evolving industry, which makes it difficult to evaluate our prospects and may increase the risk that we will not be successful.***

We have a limited operating history of less than 4 years since our inception in 2020 on which to base an evaluation of its business and prospects. We are subject to all the risks inherent in a small company seeking to develop, market and distribute new services, particularly companies in evolving markets. The likelihood of our success must be considered, in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the development, introduction, marketing and distribution of new products and services in a competitive environment.

Such risks include, but are not limited to, dependence on the success and acceptance of our services and the management of growth. In view of our limited operating history, we believe that period-to-period comparisons of our operating results are not necessarily meaningful and should not be relied upon as an indication of future performance.

We are subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues.

***Our historical growth and performance may not be indicative of our future growth and performance.***

Although we have experienced growth in operating our services in terms of a 17.9% growth in revenue and a 0.9% growth in profits from financial year 2022 to financial year 2023, we may fail to continue our growth or maintain our historical growth rates. You should not consider our historical growth and profitability as indicative of our future financial performance. You should consider our future operations in light of the challenges and uncertainties that we may encounter, which include our ability to, among other things:

- (a) successfully increase our market share, brand recognition and reputation;
- (b) adapt our operations to new policies, regulations and measures that may come into effect from time to time;
- (c) deliver compelling value propositions to our customers with our services; and
- (d) expand our service offerings and expand into new jurisdictions and/or businesses.

We may not be successful in our efforts to do any of the foregoing, in which case, our business, prospects, financial condition and results of operations could be materially and adversely affected.

***We may not be able to successfully implement our business strategies and future plans.***

As part of our business strategies and future plans, we intend to strengthen our market position in the Southeast Asian region by identifying potential business opportunities or through joint ventures or mergers and acquisitions. While we have planned such expansion based on our outlook regarding our business prospects, such expansion plans might not be commercially successful, and the actual outcome of those expansion plans might not match our expectations. The



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success and viability of our expansion plans depend upon our ability to obtain the proper financing, favorable market conditions, hire and retain skilled employees to carry out our business strategies and future plans and implement strategic business development and marketing plans effectively and upon an increase in demand for our services by existing and new customers in the future. While we are actively looking to strengthen our market position, we have not as of the date of this prospectus identified any specific target and therefore do not have any detailed plans for any joint ventures or mergers and acquisitions.

Further, the implementation of our business strategies and future plans may require substantial capital expenditure and additional financial resources and commitments. There is no assurance that these business strategies and future plans will achieve the expected results or outcome such as an increase in revenue that will be commensurate with our investment costs or the ability to generate any costs savings, increased operational efficiency and/or productivity improvements to our operations. We might not be able to obtain financing on terms that are favorable, if at all. If the results or outcome of our future plans do not meet our expectations, if we fail to achieve a sufficient level of revenue or if we fail to manage our costs efficiently, we may not be able to recover our investment costs and our business, financial condition, results of operations and prospects may be adversely affected.

### ***We may not be able to successfully develop our Smart Farming System.***

We intend to allocate approximately 30% of our net proceeds from this offering to develop a sophisticated Smart Farming System tailored for shrimp farming. The intricate nature of this technology introduces specific challenges, including the complexity of integrating real-time monitoring for temperature and pH levels. Technical hurdles such as integration issues, data accuracy concerns, and the need for continuous optimization pose potential obstacles to the successful development and implementation of the Smart Farming System. Furthermore, navigating evolving regulatory landscapes and ensuring compliance with industry standards present additional challenges, while the recruitment and retention of skilled personnel to develop such proprietary technology adds another layer of complexity to the project. These challenges may impact the timeline and effectiveness of implementing our Smart Farming System initiative, potentially adversely influencing our business, financial condition, and results of operations.

### ***We are exposed to risks arising from fluctuations of foreign currency exchange rates.***

Our reporting currency is the Malaysian Ringgit and fees generated from our services is denominated in Malaysian Ringgit. The exchange rates between foreign currencies in recent years have fluctuated significantly and may continue to do so in the future. Therefore, we may be exposed to foreign currency exchange gains or losses arising from transactions in currencies other than our reporting currency. Given the volatility of exchange rates, we might not be able to effectively manage our currency transaction risks, and volatility in currency exchange rates might have a material adverse effect on our business, financial condition or results of operations.

### ***We do not have, and may be unable to obtain, sufficient insurance to insure against certain business risks. As a result, we may be exposed to significant costs and business disruption.***

We do not currently maintain insurance coverage for business interruption, liability, or litigation insurance coverage for our operations in Malaysia. Our lack of insurance coverage or reserves with respect to business-related risks may expose us to substantial losses. As to those risks for which we have insurance coverage, the insurance payouts we are entitled to in case of an insured event are subject to deductibles and other customary conditions and limitations.

### ***We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine. Our business, financial condition and results of operations may be materially and adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine, the conflict in Israel or any other geopolitical tensions.***

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions, the start of the military conflict between Russia and Ukraine and the start of the military conflict between Israel and Hamas. Although the length and impact of the ongoing military conflict is highly

unpredictable, the conflicts in Ukraine and Israel could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. We are continuing to monitor the respective situations in Ukraine

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and Israel and globally and assessing the potential impact on our business. In addition, Russian military actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds.

Any of the above mentioned factors could affect our business, prospects, financial condition, and operating results. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described in this registration statement.

***We are exposed to risks in respect of acts of war, terrorist attacks, epidemics, political unrest, adverse weather conditions and other uncontrollable events.***

Unforeseeable circumstances and other factors such as power outages, labor disputes, adverse weather conditions or other catastrophes, epidemics or outbreaks may disrupt our operations and cause loss and damage to our storage facilities and office, and acts of war, terrorist attacks or other acts of violence may further materially and adversely affect the global financial markets and consumer confidence. Our business may also be affected by macroeconomic factors in the countries in which we operate, such as general economic conditions, market sentiment, social and political unrest, and regulatory, fiscal and other governmental policies, all of which are beyond our control. Any such events may cause damage or disruption to our business, markets, customers, and suppliers, any of which may materially and adversely affect our business, financial condition, results of operations and prospects.

***Any adverse changes in the political, economic, legal, regulatory, taxation or social conditions in the jurisdictions that we operate in or intend to expand our business may have a material adverse effect on our operations, financial performance and future growth.***

Our business, prospects, financial condition and results of operations depend on and may be adversely affected by political, economic, social and legal developments that are beyond our control in each of the jurisdictions that we operate in or in which we intend to expand our business and operations. Such political and economic uncertainties may include risks of war, terrorism, nationalism, expropriation or nullification of contracts, changes in interest rates, economic growth, national fiscal and monetary policies, inflation, deflation, methods of taxation and tax policy. Negative developments in the socio-political climate of these regions may also adversely affect our business, prospects, financial condition and results of operations. These developments may include, but are not limited to, changes in political leadership, nationalization, price and capital controls, sudden restrictive changes to government policies, introduction of new taxes on goods and services and introduction of new laws, as well as demonstrations, riots, coups and war. These may result in the nullification of contracts and/or prohibit us from continuing our business operations.

The jurisdictions that we operate in or in which we intend to expand our business and operations may be in a state of rapid political, economic and social changes, and may also be subject to unforeseeable circumstances such as natural disasters and other uncontrollable events, which will entail risks to our business and operations if we are to expand in the region in the future. We might not be able to adapt to the local conditions, regulations and business practices and customs of the regions in which we operate in the future. Any changes implemented by the government of these regions resulting in, amongst others, currency and interest rate fluctuations, capital restrictions and changes in duties and taxes detrimental to our business could materially and adversely affect our business, prospects, financial condition and results of operations.

***You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.***

We are an exempted company incorporated under the laws of the Cayman Islands with limited liability. Our corporate affairs are governed by our Amended and Restated Memorandum and Articles of Association, the Cayman Companies Act and the common law of the Cayman Islands. The rights of shareholders to take action against our Directors and us, actions by minority shareholders and the fiduciary duties of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which are generally of persuasive authority, but are not binding,

on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our Directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws than the United States and provide significantly less protection to

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investors. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the United States. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will generally recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

Shareholders of Cayman Islands companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the Amended and Restated Memorandum and Articles of Association) or to obtain copies of lists of shareholders of these companies. Our Directors are not required under our Amended and Restated Memorandum and Articles of Association to make our corporate records available for inspection by our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as U.S. states. Currently, we plan to rely on home country practice with respect to any corporate governance matter. Accordingly, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of the board of Directors or controlling shareholders than they would as shareholders of a company incorporated in a U.S. state. For a discussion of significant differences between the provisions of the Companies Act and the laws applicable to companies incorporated in a U.S. state and their shareholders, see “Description of Share Capital — Differences in Corporate Law.”

***Certain judgments obtained against us, our Directors and officers, or our auditor by our shareholders may not be enforceable.***

We are a Cayman Islands company. Our operating subsidiary was incorporated and is located in Malaysia. Substantially all of our assets are located outside of the United States. In addition, all of our current Directors and officers are nationals and residents of countries other than the United States and substantially all of the assets of these persons are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons or to enforce against us, our Directors and officers, or our auditor judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and Malaysia may render you unable to enforce a judgment against our assets or the assets of our Director and officers. For more information regarding the relevant laws of the Cayman Islands and Malaysia, see “Enforceability of Civil Liabilities.” As a result of all of the above, our shareholders may have more difficulties in protecting their interests through actions against us, our officers, Directors, or major shareholders, than would shareholders of a corporation incorporated in a jurisdiction in the United States.

These constraints may impact both the cost and time associated with legal proceedings in the Cayman Islands. On the point of cost constraints, investors could face additional legal expenses (including hiring local attorneys), travel costs for attending court proceedings, and other administrative charges. On the point of time constraint, investors may face time constraints due to legal delays, appeals, and the complexity of cases of pursuing such enforcement in the Cayman Islands.

***You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in Hong Kong against our Independent Director based on Hong Kong laws.***

One of our Independent Directors, Mr. Tse Yin Sum is a Hong Kong national. You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in Hong Kong against Mr. Tse Yin Sum as judgments entered in the United States can be enforced in Hong Kong only at common law. If you want to enforce a judgment of the United States in Hong Kong, it must be a final judgment conclusive upon the merits of the claim, for a liquidated amount in a civil matter and not in respect of taxes, fines, penalties, or similar charges, the proceedings in which the judgment was obtained were not contrary to natural justice, and the

enforcement of the judgment is not contrary to public policy of Hong Kong. Such a judgment must be for a fixed sum and must also come from a “competent” court as determined by the private international law rules applied by the Hong Kong courts. In addition, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in the

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PRC of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. For more information regarding the relevant laws of Hong Kong, see “Enforceability of Civil Liabilities.”

These constraints may impact both the cost and time associated with legal proceedings in Hong Kong. On the point of cost constraints, investors could face additional legal expenses (including hiring local attorneys and translators), travel costs for attending court proceedings, and other administrative charges. On the point of time constraint, investors may face time constraints due to legal delays, appeals, and the complexity of cases of pursuing such enforcement in Hong Kong.

### ***We have engaged in transactions with related parties, and such transactions present possible conflicts of interest that could have an adverse effect on our business and results of operations.***

We have entered into a number of transactions with companies owned or operated by related parties, including our shareholders, directors, and executive officers. See “*Related Party Transactions*”. For example, in order to solve our subcontractor needs with regards to water reservoir distribution, and rebuilding of shrimp ponds, we engaged VC Marine Sdn Bhd, an entity directly controlled by Mr. Darren Hoo, our Chief Executive Officer, Chairman and Executive Director. For the year ended December 31, 2021, for the year ended December 31, 2022, and for the year ended December 31, 2023, we had recorded subcontractor fees of RM8.89 million (approximately US\$2.13 million), RM21.16 million (approximately US\$4.81 million) and RM15.33 million (approximately US\$3.34 million) under this agreement, respectively.

We may in the future enter into additional transactions with entities in which members of our board of directors and other related parties hold ownership interests. Transactions with the entities in which related parties hold ownership interests present potential for conflicts of interest, as the interests of these entities and their shareholders may not align with the interests of the Company and our unaffiliated shareholders with respect to the negotiation of, and certain other matters related to, our purchases from and other transactions with such entities. Conflicts of interest may also arise in connection with the exercise of contractual remedies under these transactions, such as default. For prospective transactions with any related parties after listing on Nasdaq, such transactions are subject to our Audit Committee’s review and approval.

### ***We depend on a small number of key suppliers for continued provision of our services.***

Our purchases are concentrated among a small number of suppliers. In the financial years ended December 31, 2021, 2022, and 2023, our top ten suppliers accounted for approximately 100%, 97.3% and 100% of our purchases respectively. If any of these suppliers were to reduce or cease their business with the Company, it could have a material adverse impact on the Company’s financial condition and results of operations.

The Company has taken steps to mitigate its supplier concentration risk by planning to diversifying its pool of suppliers and developing long-term relationships with its key supplier. However, in the foreseeable future, the Company remains exposed to supplier concentration risk, and any significant changes in the business of its key suppliers could have a material adverse impact on its business.

### ***We are exposed to the credit risks of some our customers.***

Our business is dependent on the continued success of its customers. If any of the Company’s customers were to experience financial difficulties or cease operations, it could have a material adverse impact on the Company’s business.

We extend credit terms to some of our customers. Our average accounts receivable turnover days were approximately 84 days, 71 days and 80 days for the financial years ended December 31, 2021, 2022 and 2023, respectively. Our customers may be unable to meet their contractual payment obligations to us, either in a timely manner or at all. The reasons for payment delays, cancellations or default by our customers may include insolvency or bankruptcy, or insufficient financing or working capital due to late payments by their respective customers. While we did not experience any material order cancellations by our customers during the financial years ended December 31, 2021, 2022 and 2023, there is no assurance that our customers will not cancel their orders and/or refuse to make payment in the future in a timely manner or at all. We may not be able to enforce our contractual rights to receive payment through legal proceedings. In the event that we are unable to collect payments from our customers, we are still obliged to pay our suppliers in a timely manner and thus our business,

financial condition and results of operations may be adversely affected. The Company is aware of the risks associated with customer concentration and is taking steps to mitigate these risks. However, investors should be aware of the potential for customer concentration to have a material adverse impact on the Company's business.



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***There may be potentially adverse impacts on our corporate governance because of the indemnification provisions in our articles of association pertaining to our directors' and officers' liability.***

Our articles of association outline comprehensive indemnification provisions for directors, officers, and trustees, intending to shield them from liabilities arising in the course of their duties. The broad scope of indemnification, covering actions taken in “good faith” and deemed to be in the “best interests” of the Company, may inadvertently diminish the incentive for directors and officers to exercise the highest level of care and diligence in decision-making. The extensive indemnification framework could result in reduced accountability and oversight, raising the risk of misconduct or negligence that may not be in the Company’s or shareholders’ best interests. These provisions may create a scenario where directors and officers are less motivated to act with the utmost care, knowing that the personal consequences of their actions are substantially mitigated. This decreased personal risk could impact corporate governance, potentially exposing shareholders to heightened risks stemming from lapses in judgment, mismanagement, or other adverse outcomes resulting from the actions of directors and officers. Careful consideration of these indemnification provisions is warranted to understand their potential impact on the overall risk profile and governance dynamics of the Company.

### **Risks Relating to this Offering and the Trading Market**

***If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of our Ordinary Shares may be materially and adversely affected.***

Prior to this offering, we were a private company with limited accounting personnel and other resources to address our Company’s internal controls and procedures. Our management has not performed an assessment of the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, is designed to prevent fraud.

Our failure to implement and maintain effective internal controls over financial reporting could result in errors in our financial statements that could result in a restatement of our financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, which may result in volatility in and a decline in the market price of the Ordinary Shares.

Upon the completion of this offering, we will become a public company in the United States subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, will require that we include a report of management on our internal control over financial reporting in our annual report on Form 20-F. In addition, if we cease to be an “emerging growth company” as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting on an annual basis. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a burden on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify material weaknesses and deficiencies in our internal control over financial reporting. The Public Company Accounting Oversight Board, or PCAOB, has defined a material weakness as “a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim statements will not be prevented or detected on a timely basis”.

In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing

basis that we have effective internal control over financial reporting in accordance with Section 404. Generally speaking, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of

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operations and lead to a decline in the trading price of our Ordinary Shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud, misuse of corporate assets and legal actions under the United States securities laws and subject us to potential delisting from the Nasdaq Capital Market to regulatory investigations and to civil or criminal sanctions.

### ***An active trading market for our Ordinary Shares may not be established or, if established, may not continue and the trading price for our Ordinary Shares may fluctuate significantly***

A liquid public market for our Ordinary Shares might never be established or, if established, maintained. If an active public market for our Ordinary Shares is not established and maintained following the completion of this offering, the market price and liquidity of our shares may be materially and adversely affected. The public offering price for our shares in this offering was determined by negotiation between us and the underwriters based upon several factors, and the trading price of our shares after this offering might decline below the public offering price. As a result, investors in our shares may experience a significant decrease in the value of their shares.

### ***We may not maintain the listing of our Ordinary Shares on Nasdaq which could limit investors' ability to make transactions in our Ordinary Shares and subject us to additional trading restrictions.***

We intend to list our Ordinary Shares on Nasdaq concurrently with this offering. In order to continue listing our shares on Nasdaq, we must maintain certain financial and share price levels and we may be unable to meet these requirements in the future. Our shares might not continue to be listed on Nasdaq in the future if we fail to meet these continued listing requirements.

If Nasdaq delists our Ordinary Shares and we are unable to list our shares on another national securities exchange, we expect our shares could be quoted on an over-the-counter market in the United States. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our Ordinary Shares;
- reduced liquidity for our Ordinary Shares;
- a determination that our Ordinary Shares are “penny stock”, which will require brokers trading in our shares to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our Ordinary Shares;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

As long as our Ordinary Shares are listed on Nasdaq, U.S. federal law prevents or pre-empts the states from regulating their sale. However, the law does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar their sale. Further, if we were no longer listed on Nasdaq, we would be subject to regulations in each state in which we offer our shares.

### ***The initial public offering price for our Ordinary Shares may not be indicative of prices that will prevail in the trading market and the trading price of our Ordinary Shares may be volatile, which could result in substantial losses to investors.***

The initial public offering price for our Ordinary Shares was determined by negotiations between us and the underwriters and may not bear a direct relationship to our earnings, book value, or any other indicia of value. We cannot assure you that the market price of our Ordinary Shares will not decline significantly below the initial public offering price.

The trading price of our Ordinary Shares may be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation of the market prices of other companies with business operations located mainly in Singapore that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for our shares may be highly volatile for factors specific to our own operations, including the following:

- fluctuations in our revenues, earnings and cash flow;

- the introduction of new products, offerings, and solutions by us or our competitors;

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- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- additions or departures of key personnel;
- disputes or other developments with respect to our or others' intellectual property rights;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- detrimental adverse publicity about us, our brand, our services or our industry;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors; and
- potential litigation or regulatory investigations.

Any of these factors may result in significant and sudden changes in the volume and price at which our shares will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

### ***Substantial future sales of our Ordinary Shares or the anticipation of future sales of our Ordinary Shares in the public market could cause the price of our Ordinary Shares to decline.***

Sales of substantial amounts of our Ordinary Shares in the public market after this offering, or the perception that these sales could occur, could cause the market price of our Ordinary Shares to decline. An aggregate of 15,000,000 Ordinary Shares are outstanding before the consummation of this offering. An aggregate of 16,250,000 Ordinary Shares will be outstanding immediately after the consummation of this offering, assuming no exercise of the over-allotment option. Sales of these shares into the market could cause the market price of our Ordinary Shares to decline.

### ***Certain recent initial public offerings of companies with public floats comparable to the anticipated public float of our company have experienced extreme volatility that was seemingly unrelated to the underlying performance of the respective company. We may experience similar volatility. Such volatility, including any stock-run up, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our Ordinary Shares.***

Recently, there have been instances of extreme stock price run-ups followed by rapid price declines and strong stock price volatility with recent initial public offerings, especially among those with relatively smaller public floats. As a relatively small-capitalization company with relatively small public float, we may experience greater stock price volatility, extreme price run-ups, lower trading volume and less liquidity than large-capitalization companies. In particular, our Ordinary Shares may be subject to rapid and substantial price volatility, low volumes of trades and large spreads in bid and ask prices. Such volatility, including any stock-run up, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our Ordinary Shares.

In addition, if the trading volumes of our Ordinary Shares are low, persons buying or selling in relatively small quantities may easily influence prices of our Ordinary Shares. This low volume of trades could also cause the price of our Ordinary Shares to fluctuate greatly, with large percentage changes in price occurring in any trading day session. Holders of our Ordinary Shares may also not be able to readily liquidate their investment or may be forced to sell at depressed prices due to low volume trading. Broad market fluctuations and general economic and political

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conditions may also adversely affect the market price of our Ordinary Shares. As a result of this volatility, investors may experience losses on their investment in our Ordinary Shares. A decline in the market price of our Ordinary Shares also could adversely affect our ability to issue additional shares of Ordinary Shares or other of our securities and our ability to obtain additional financing in the future. An active market in our Ordinary Shares might not develop or be sustained if it does. If an active market does not develop, holders of our Ordinary Shares may be unable to readily sell the shares they hold or may not be able to sell their shares at all.

***If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our Ordinary Shares, the market price for our Ordinary Shares and trading volume could decline.***

The trading market for our shares will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts downgrade our shares, the market price for our shares would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our shares to decline.

***Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our Ordinary Shares for a return on your investment.***

We currently intend to retain all of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our shares as a source for any future dividend income. Our board of Directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Malaysia law. Even if our board of Directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors as determined by our board of Directors. Accordingly, the return on your investment in our Ordinary Shares will likely depend entirely upon any future price appreciation of our Ordinary Shares. There is no guarantee that our Ordinary Shares will appreciate in value after this offering or even maintain the price at which you purchased our shares. You may not realize a return on your investment in our shares and you may even lose your entire investment.

***Short selling may drive down the market price of our Ordinary Shares.***

Short selling is the practice of selling shares that the seller does not own but rather has borrowed from a third party with the intention of buying identical shares back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the shares between the sale of the borrowed shares and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the shares to decline, many short sellers publish, or arrange for the publication of, negative opinions and allegations regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling the shares short. These short attacks have, in the past, led to selling of shares in the market. If we were to become the subject of any unfavorable publicity, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality.

***Because our public offering price per share is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.***

If you purchase shares in this offering, you will pay substantially more than our net tangible book value per share. As a result, you will experience immediate and substantial dilution of US\$3.41 per share, representing the difference between our as adjusted net tangible book value per share of US\$0.59 as of December 31, 2023, after giving effect to the net proceeds to us from this offering, assuming no change to the number of shares offered by

us as set forth on the cover page of this prospectus and an assumed public offering price of US\$4.00 per share (being the low end of the initial public offering price range). See “Dilution” for a more complete description of how the value of your investment in our shares will be diluted upon the completion of this offering.



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***You must rely on the judgment of our management as to the uses of the net proceeds from this offering, and such uses may not produce income or increase our share price.***

We intend to use the net proceeds of this offering as set out in “Use of Proceeds.” However, our management will have considerable discretion in the application of the net proceeds received by us in this offering. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability or increase our share price. The net proceeds from this offering may be placed in investments that do not produce income or that lose value.

***If we are classified as a passive foreign investment company, United States taxpayers who own our securities may have adverse United States federal income tax consequences.***

We are a non-U.S. corporation and, as such, we will be classified as a passive foreign investment company, which is known as a PFIC, for any taxable year if, for such year, either

- At least 75% of our gross income for the year is passive income; or
- The average percentage of our assets (determined at the end of each quarter) during the taxable year that produce passive income or that are held for the production of passive income is at least 50%.

Passive income generally includes dividends, interest, rents, royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets.

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. taxpayer who holds our securities, the U.S. taxpayer may be subject to increased U.S. federal income tax liability and may be subject to additional reporting requirements.

While we do not expect to become a PFIC, because the value of our assets for purposes of the asset test may be determined by reference to the market price of our Ordinary Shares, fluctuations in the market price of our Ordinary Shares may cause us to become a PFIC for the current or subsequent taxable years. The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets. If we determine not to deploy significant amounts of cash for active purposes, our risk of being a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year.

For a more detailed discussion of the application of the PFIC rules to us and the consequences to U.S. taxpayers if we were determined to be a PFIC, see “Material Income Tax Considerations — Passive Foreign Investment Company.”

***Our controlling shareholder has substantial influence over the Company. The interests of our controlling shareholder may not be aligned with the interests of our other shareholders, and it could prevent or cause a change of control or other transactions.***

Prior to this offering, Mr. Darren Hoo indirectly through SSL controls an aggregate of approximately 72.3% of our issued and outstanding Ordinary Shares. Upon completion of this offering, Mr. Darren Hoo will, indirectly control approximately 66.7% of our issued and outstanding Ordinary Shares.

Accordingly, our controlling shareholder could control the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations, the election of Directors and other significant corporate actions, including the power to prevent or cause a change in control. The interests of our largest shareholder may differ from the interests of our other shareholders. Without the consent of our controlling shareholder, we may be prevented from entering into transactions that could be beneficial to us or our other shareholders. The concentration in the ownership of our shares may cause a material decline in the value of our shares. For more information regarding our principal shareholders and their affiliated entities, see “Principal Shareholder.”

***Our pre-IPO shareholders will be able to sell their Ordinary Shares upon completion of this offering subject to restrictions under Rule 144 under the Securities Act.***

Our pre-IPO shareholders may be able to sell their Ordinary Shares under Rule 144 after the completion of this offering. See “Shares Eligible for Future Sale” below. Because these shareholders have paid a lower price per share of our Ordinary Shares than participants in this offering, when they are able to sell their pre-IPO shares under Rule 144,

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they may be more willing to accept a lower sales price than the IPO price. This fact could impact the trading price of the Ordinary Shares following the completion of the offering, to the detriment of participants in this offering. Under Rule 144, before our pre-IPO shareholders can sell their shares, in addition to meeting other requirements, they must meet the required holding period. We do not expect any of the Ordinary Shares to be sold pursuant to Rule 144 during the pendency of this offering.

### ***The requirements of being a public company may strain our resources and divert management's attention and we have no experience operating as a public company.***

Prior to this offering, we do not have experience conducting our operations as a public company. We may encounter operational, administrative, and strategic difficulties as we adjust to operating as a public company. This may cause us to react more slowly than our competitors to industry changes and may divert our management's attention from running our business or otherwise harm our operations.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the "Exchange Act," and the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal, accounting, and financial compliance costs and investor relations and public relations costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company." As a foreign private issuer, the Exchange Act requires, among other things, that we file annual and current reports with respect to our business and operating results. As a public company, our management will have to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner.

We also expect that operating as a public company and in turn complying with applicable rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

### ***The obligation to disclose information publicly may put us at a disadvantage to competitors that are private companies.***

Upon completion of this offering, we will be a publicly listed company in the United States. As a publicly listed company, we will be required to file periodic reports with the SEC upon the occurrence of matters that are material to us and our shareholders. In some cases, we will need to disclose material agreements or results of financial operations that we would not be required to disclose if we were a private company. Our competitors may have access to this information, which would otherwise be confidential. This may give them advantages in competing with us. Similarly, as a U.S.-listed public company, we will be governed by U.S. laws that our non-publicly traded competitors are not required to follow. To the extent compliance with U.S. laws increases our expenses or decreases our competitiveness against such companies, our public listing could affect our results of operations.

### ***As a "controlled company" within the meaning of the Nasdaq Stock Market Rules, we may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.***

We are and, upon the completion of this offering, will continue to be a "controlled company" as defined under the Nasdaq Stock Market Rules, because one of our shareholders, namely SSL holds more than 50% of our voting power. As a result, for so long as we remain a controlled company as defined under that rule, we are permitted to elect to rely, and may rely, on certain exemptions from corporate governance rules of the Nasdaq Stock Market Rules including:

- an exemption from the rule that a majority of our Board of Directors must be independent directors;
- an exemption from the rule that the compensation of our chief executive officer must be determined or recommended solely by independent directors; and

- An exemption from the rule that our director nominees must be selected or recommended solely by independent directors.

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Although we do not currently intend to rely on the “controlled company” exemptions under the Nasdaq listing rules, we could elect to rely on these exemptions in the event that we no longer qualify as a foreign private issuer.

***As a company incorporated in the Cayman Islands, we are permitted to follow certain home country practices in relation to corporate governance matters in lieu of certain requirements under Nasdaq corporate governance listing rules. These practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.***

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the corporate governance listing requirements of Nasdaq. These practices may afford less protection to Shareholders than they would enjoy if we complied fully with corporate governance listing requirements of Nasdaq. Following this offering, we will rely on home country practice to be exempted from certain of the corporate governance requirements of Nasdaq, namely; (i) there will not be a necessity to have regularly scheduled executive sessions with independent Directors; and (ii) there will be no requirement for the Company to obtain Shareholder approval prior to an issuance of securities in connection with (a) the acquisition of stock or assets of another company; (b) equity-based compensation of officers, directors, employees or consultants; (c) a change of control; and (d) transactions other than public offerings.

***We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.***

We are an “emerging growth company,” as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act for so long as we are an emerging growth company. As a result, if we elect not to comply with such auditor attestation requirements, our investors may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the extended transition period, although we have adopted certain new and revised accounting standards based on transition guidance permitted under such standards earlier. As a result of this election, our future financial statements may not be comparable to other public companies that comply with the public company effective dates for these new or revised accounting standards.

***We are a foreign private issuer within the meaning of the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.***

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material non-public information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each financial year. In addition, we intend to publish our financial results on a semi-annual basis through press releases distributed pursuant to the rules and regulations of the Nasdaq Capital Market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to

file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you if you were investing in a U.S. domestic issuer.

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### ***We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us.***

As discussed above, we are a foreign private issuer under the Exchange Act, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last Business Day of an issuer's most recently completed second financial quarter, and, accordingly, the next determination will be made with respect to us on June 30, 2025. In the future, we would lose our foreign private issuer status if (1) more than 50% of our outstanding voting securities are owned by U.S. residents and (2) a majority of our Directors or executive officers are U.S. citizens or residents, or we fail to meet additional requirements necessary to avoid the loss of foreign private issuer status. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to comply with U.S. federal proxy requirements, and our officers, Directors and 10% shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. As a U.S. listed public company that is not a foreign private issuer, we would incur significant additional legal, accounting, and other expenses that we would not otherwise incur as a foreign private issuer.

### ***We will incur significantly increased costs and devote substantial management time as a result of our initial public offering and the listing of our Ordinary Shares on Nasdaq.***

We will incur additional legal, accounting, and other expenses as a public reporting company, particularly after we cease to qualify as an emerging growth company. For example, we will be required to comply with the additional requirements of the rules and regulations of the SEC and the Nasdaq rules, including applicable corporate governance practices. We expect that compliance with these requirements will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. In addition, we expect that our management and other personnel will need to divert attention from operational and other business matters to devote substantial time to these public company requirements. We cannot predict or estimate the number of additional costs we may incur as a result of becoming a public company or the timing of such costs.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidelines are provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may also initiate legal proceedings against us, and our business may be adversely affected.

We are an "emerging growth company," as defined in the JOBS Act and will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least \$1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Ordinary Shares that is held by non-affiliates exceeds \$700 million as of the prior June 30, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

After we are no longer an “emerging growth company,” or until five years following the completion of our initial public offering, whichever is earlier, we expect to incur significant additional expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 and the other rules and regulations of the SEC. For example, as a public company, we have been required to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures.



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We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

***Nasdaq may apply additional and more stringent criteria for our initial and continued listing since we plan to have a relatively small public offering and insiders will hold a large portion of our listed securities.***

Nasdaq Listing Rule 5101 provides Nasdaq with broad discretionary authority over the initial and continued listing of securities on Nasdaq and Nasdaq may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on Nasdaq inadvisable or unwarranted in the opinion of Nasdaq, even though the securities meet all enumerated criteria for initial or continued listing on Nasdaq. In addition, Nasdaq has used its discretion to deny initial or continued listing or to apply additional and more stringent criteria in the instances, including: (i) where the company engaged an auditor that has not been subject to an inspection by the PCAOB, an auditor that PCAOB cannot inspect, or an auditor that has not demonstrated sufficient resources, geographic reach, or experience to adequately perform the company's audit; (ii) where the company planned a small public offering, which would result in insiders holding a large portion of the company's listed securities. Nasdaq was concerned that the offering size was insufficient to establish the company's initial valuation, and there would not be sufficient liquidity to support a public market for the company; and (iii) where the company did not demonstrate sufficient nexus to the U.S. capital market, including having no U.S. shareholders, operations, or members of the board of directors or management. Since we plan to have a relatively small public offering and our insiders will hold a large portion of our listed securities, Nasdaq may apply additional and more stringent criteria for our initial and continued listing, which may cause delay or even denial of our listing application.

***Shares eligible for future sale may adversely affect the market price of our Ordinary Shares, as the future sale of a substantial number of outstanding Ordinary Shares in the public marketplace could reduce the price of our Ordinary Shares.***

The market price of our Ordinary Shares could decline as a result of sales of substantial amounts of our shares in the public market, or the perception that these sales could occur. In addition, these factors could make it more difficult for us to raise funds through future offerings of our Ordinary Shares. All of the shares sold in the offering will be freely transferable without restriction or further registration under the Securities Act. The remaining outstanding shares will be "restricted securities" as defined in Rule 144. These shares may be sold without registration under the Securities Act to the extent permitted by Rule 144 or other exemptions under the Securities Act. See "Shares Eligible for Future Sale."

***Our post-offering memorandum and articles of association contain anti-takeover provisions that could discourage a third party from acquiring us, which could limit our shareholders' opportunity to sell their shares at a premium.***

Our post-offering memorandum and articles of association that will become effective immediately prior to the completion of this offering contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our Ordinary Shares, or otherwise.

## USE OF PROCEEDS

Assuming the sale of US\$5,000,000 of our Ordinary Shares in this offering, after deducting the estimated underwriting discounts and offering expenses payable by us and assuming no exercise of the underwriters' over-allotment option, we expect to receive net proceeds of approximately US\$4,650,000 from this offering.

We currently intend to use proceeds from this offering in the following ways:

***Sales and Marketing*** — We intend to use 20% of the proceeds for the business developments. This allocation reflects our commitment to expanding brand awareness, reaching new customers, and driving revenue growth through targeted sales and marketing initiatives.

***Expansion opportunities through merger and acquisition activities*** — We intend to use 30% of the proceeds to explore growth through the opportunities to collaborate with suitable partners in related industries through strategic alliances, joint ventures, acquisitions and investments. We have not yet determined the target. If a suitable opportunity arises, we may collaborate with potential partners in the aquaculture and agriculture industries if these collaborations are likely to provide us with more business opportunities.

***Development of Smart Farming System*** — We intend to use 30% of the proceeds to develop Smart Farming System which is a farm management system that will leverage on information technology infrastructure for data collection, farm monitoring and analysis. This strategic investment will allow us to provide additional value to our customers once developed.

***Working Capital*** — We intend to use 20% of the proceeds for general working capital and corporate purposes.

We would receive additional net proceeds of US\$697,500 assuming full exercise of the underwriters' over-allotment option. We intend to use any such proceeds for working capital and general corporate purposes. General corporate purposes may include capital expenditures.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. To the extent that the net proceeds we receive from this offering are not immediately used for the above purposes, we intend to invest our net proceeds in short-term, interest-bearing bank deposits or debt instruments.

## **DIVIDEND POLICY**

Except as disclosed below, we have never declared or paid any cash dividends on our Ordinary Shares. We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future.

Our board of directors has complete discretion on whether to distribute dividends, subject to applicable laws. In addition, our shareholders may by ordinary resolution declare a dividend. Under Cayman Islands law, a Cayman Islands company may pay a dividend either out of profit or share premium account, provided that in no circumstances may a dividend be paid if the dividend payment would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency, and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, and other factors that the board of directors may deem relevant. Cash dividends on our Ordinary Shares, if any, will be paid in U.S. dollars.

## CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2023:

- on an actual basis;
- on a pro forma as adjusted basis to reflect (i) the above; (ii) the issuance and sale of 1,250,000 Ordinary Shares in this offering at an initial public offering price of US\$4 per Ordinary Share, after deducting underwriting discounts and estimated offering expenses payable by us.

The pro forma as adjusted information below is illustrative only, and our capitalization following the completion of this offering is subject to adjustment based on the actual net proceeds to us from the offering. You should read this table in conjunction with “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

Shareholders’ Equity	Actual	Pro Forma, As adjusted
	US\$	US\$
Ordinary Shares, par value US\$0.0001 per share, 500,000,000 Ordinary Shares authorized, 15,000,000 Ordinary Shares outstanding on an actual basis, 1,250,000 Ordinary Shares outstanding as adjusted basis	1,500	1,625
Additional paid-in capital	52,963	4,401,749
Retained earnings	6,431,392	5,738,481
<b>Total Shareholders’ Equity</b>	<b>6,485,855</b>	<b>10,141,855</b>
<b>Indebtedness</b>		
Bank loan	84,551	84,551
Amount due to a director	10,933	10,933
<b>Total Indebtedness</b>	<b>95,484</b>	<b>95,484</b>
<b>Total Capitalization</b>	<b>6,581,339</b>	<b>10,237,339</b>

Type of Debts	Securities	Terms of repayments	Annual interest rate	Actual	As adjusted
				US\$	US\$
Bank loan	Director’s personal guarantee, a freehold property and assignment over an insurance	10 years starting from December 2023	4.65%	84,551	84,551
Amount due to a director	Not secured	Repayable on demand	Nil	10,933	10,933
<b>Total Indebtedness</b>				<b>95,484</b>	<b>95,484</b>

## DILUTION

If you invest in our Ordinary Shares, your interest will be diluted for each ordinary share you purchase to the extent of the difference between the initial public offering price per ordinary share and our net tangible book value per ordinary share after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the net tangible book value per ordinary share attributable to the existing shareholders for our presently outstanding Ordinary Shares. Our net tangible book value attributable to shareholders at December 31, 2023 was US\$5,881,202 or approximately US\$0.39 per ordinary share. Net tangible book value per ordinary share as of December 31, 2023 represents the amount of total assets less intangible assets and total liabilities, divided by the number of Ordinary Shares outstanding.

Our pro forma net tangible book value of our Ordinary Shares as of December 31, 2023 gives effect to the “Pro Forma” adjustments described in “Capitalization”. Our pro forma net tangible book value as of December 31, 2023, is approximately US\$10,834,766, or US\$0.67 per ordinary share. Our pro forma as adjusted net tangible book value of our Ordinary Shares as of December 31, 2023 gives further effect to the sale of 1,250,000 Ordinary Shares upon completion of the offering (and 187,500 additional Ordinary Shares if the over-allotment option is exercised in full) at the assumed public offering price of US\$4 per ordinary share, after deducting the underwriting discount and commission and estimated offering expenses. Our pro forma as adjusted net tangible book value as of December 31, 2023 will be approximately US\$10,834,766 or US\$0.67 per ordinary share (or US\$11,524,766 or US\$0.70 per ordinary share if the over-allotment option is exercised in full). This would result in dilution to investors in this offering of approximately US\$3.33 per ordinary share (or US\$3.30 per ordinary share if the over-allotment option is exercised in full) or approximately 83.3% (or 82.5% if the over-allotment option is exercised in full) from the assumed offering price of US\$4.00 per share. (Net tangible book value per ordinary share would increase to the benefit of present shareholders by US\$0.27 per share attributable to the purchase of the Ordinary Shares by investors in this offering (or US\$0.31 if the over-allotment option is exercised in full)).

The following table sets forth the estimated net tangible book value per ordinary share after the offering and the dilution to persons purchasing Ordinary Shares based on the foregoing offering assumptions.

	Offering Without Over-Allotment		Offering With Over-Allotment	
Assumed initial public offering price per ordinary share	US\$	4.00	US\$	4.00
Assumed offering price	US\$	4.00	US\$	4.00
Net tangible book value per ordinary share	US\$	0.39	US\$	0.39
Pro Forma net tangible book value per Ordinary Share	US\$	0.67	US\$	0.70
Increase in net tangible book value per Ordinary Share attributable to pro forma adjustments	US\$	0.27	US\$	0.31
Pro forma as adjusted net tangible book value per Ordinary Share	US\$	0.67	US\$	0.70
Amount of dilution in net tangible book value per ordinary share to new investors in the offering	US\$	3.33	US\$	3.30

Pro forma as adjusted net tangible book value as of December 31, 2023, is calculated as follows:

Total assets	US\$	16,286,542
Total tangible assets	US\$	16,286,542
Less: Total liabilities	US\$	(5,451,776)
Pro forma as adjusted net tangible book value	US\$	10,834,766

A US\$1.00 increase or decrease in the assumed public offering price per unit would increase or decrease our pro forma as adjusted net tangible book value per share after this offering by approximately US\$0.07 per share (or

US\$0.08 per share if the over-allotment is exercised in full), and increase or decrease the dilution per share to new investors by approximately US\$0.93 per share (or US\$0.92 per share if the over-allotment is exercised in full), assuming the number of Ordinary Shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the underwriting discount and estimated offering expenses payable by us.

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The pro forma as adjusted information as discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our Ordinary Shares and other terms of this offering determined at the pricing.

The following tables summarize, on an as adjusted basis as of December 31, 2023, the differences between existing shareholders and the new investors with respect to the number of shares of our Ordinary Shares purchased from us, the total consideration paid and the average price per share before deducting the estimated underwriting discounts and the estimated offering expenses payable by us.

	Ordinary Shares purchased		Total consideration		Average price Per share
	Number	Percent	Amount	Percent	
Existing shareholders	15,000,000	92.31%	\$ 6,500,000	56.52%	\$ 0.43
New investors	1,250,000	7.69%	\$ 5,000,000	43.48%	\$ 4.00
Total	<u>16,250,000</u>	<u>100.00%</u>	<u>\$ 11,500,000</u>	<u>100.00%</u>	

## CORPORATE HISTORY AND STRUCTURE

### Corporate History

Our history can be traced back to September 2020 when Mr. Darren Hoo saw an opportunity to develop a company focused on the development, construction and maintenance of aquaculture farms and related works. MMSB was therefore initially established to carry on the provision of these services. Since then, we have grown into a company covering a comprehensive range of services and solutions, which comprises the upgrading and maintenance of aquaculture and agriculture farms, design and development of new aquaculture and agriculture farms, and the sourcing of industrial supplies and rental of machinery for agriculture and aquaculture purposes.

### Corporate Structure

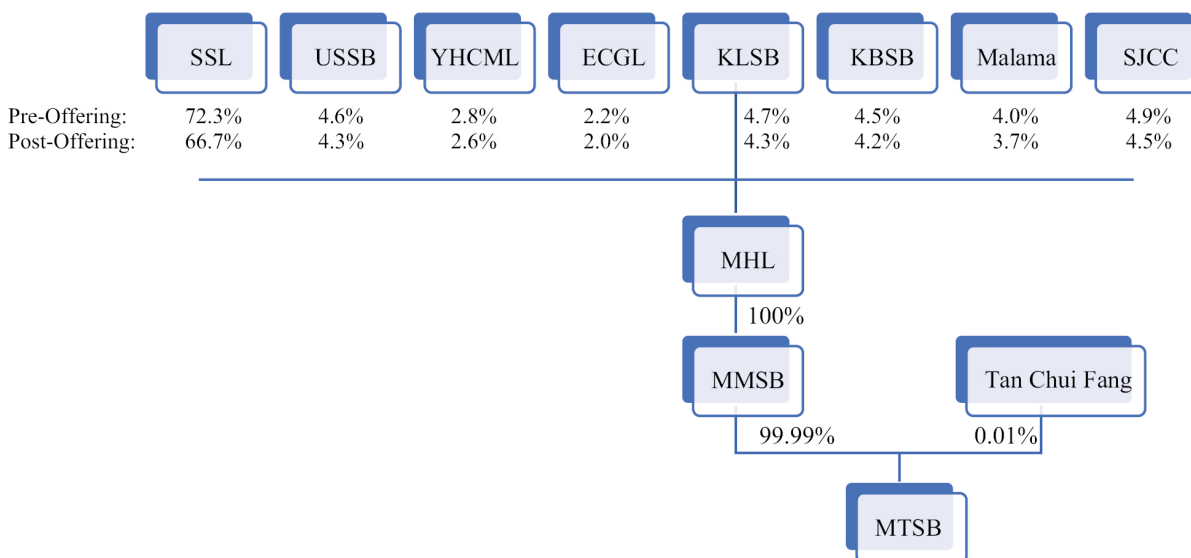
Our Company was incorporated in the Cayman Islands on December 7, 2022 under the Companies Act as an exempted company with limited liability. Our authorized share capital is US\$50,000 divided into 500,000,000 Ordinary Shares, with a par value of US\$0.0001 each.

Pursuant to a Share Swap Agreement dated July 31, 2024, each of SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC, being the shareholders of MMSB as at the date of the Share Swap Agreement, transferred their respective shares in MMSB, representing in aggregate 100% of the issued share capital of MMSB, to MHL. The consideration for the share transfers was satisfied by the allotment and issuance of 14,999,999 Ordinary Shares in aggregate to SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC, each credited as fully paid. The Share Swap Agreement was completed on July 31, 2024.

Upon completion of the Share Swap Agreement, MHL will become the holding company of our Group.

### Organization Chart<sup>(1)</sup>

The chart below sets out our corporate structure as of the date of this prospectus.



(1) This is the corporate structure of the Group after the share swaps have been completed.



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### **Entities**

A description of our subsidiaries, both direct and indirect, are set out below.

#### *MMSB*

On February 13, 2020, MMSB was incorporated in Malaysia with limited liability. MMSB commenced business in September, 2020 and is principally engaged in development, construction and maintenance of agriculture and aquaculture farms in Malaysia. As part of a group reorganization completed on July 31, 2024, MMSB became a wholly-owned subsidiary of our Company.

#### *MTSB*

On March 18, 2024, MTSB was incorporated in Malaysia with limited liability, and is an indirect subsidiary of MHL and an 80% direct subsidiary of MMSB (the remaining 20% shareholding in MTSB is held by Ms. Tan Chui Fang). Ms. Tan Chui Fang has been involving in the Semiconductor industry for more than 5 years, where she has developed significant connections. Her ability to connect with potential clients will be beneficial to the Company. In recognition of her contributions to MTSB, she has been awarded a 20% equity stake. MTSB increased its paid-up capital by 199,900 shares on July 22, 2024, bringing the total number of issued and paid up shares to 200,000 ordinary shares. MMSB subscribed -to- for the entire issuance, resulting in MMSB holding a 99.99% stake in MTSB as of July 22, 2024. As of the date of this prospectus, MTSB is a dormant company and has yet to commence any business activities. Post offering, the main business activities of MTSB will be consultancy and management of projects for process engineering and industrial systems (such as warehouse management system, building management system, etc.), and supply of robotics and automation equipment. As at the date of this prospectus, Ms. Tan Chui Fang does not hold any other role in MHL and MMSB.

### **Corporate Headquarters**

Our principal executive offices are located at B-01-07, Gateway Corporate Suites, Gateway Kiaramas, No.1, Jalan Desa Kiara, 50480 Mont Kiara, Kuala Lumpur, Malaysia. Our telephone number is +60 364201071. Our website address is [www.meganmezanin.com](http://www.meganmezanin.com). Information on our website does not constitute part of this prospectus. Our registered and records office is located at Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under "Risk Factors" and elsewhere in this prospectus. You should carefully read the "Risk Factors" section of this prospectus to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements.*

### Overview

We are a company principally engaged in the development, construction and maintenance of aquaculture farms and related works. Our operations are based in Malaysia. Since our inception in 2020, we have established ourselves as a trusted and experienced provider of shrimp farm related maintenance services in Malaysia. As of the date of this prospectus, we are carrying out a series of upgrading works for aquaculture farms, all of which are located in Tawau, Sabah, Malaysia. This constitutes, 71.8%, 43.7% and 15.5% of our revenue for the financial years ended December 31, 2021, 2022, and 2023 respectively. Besides that, we also carried out upgrading works for a pineapple plantation farm located at Kota Tinggi, Johor, Malaysia. This constituted Nil, 25.3% and 22.6% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively.

Complementary to our upgrading services, we also assist customers with the design and development of new farms. As of the date of this prospectus, we are currently involved in the development and construction of a shrimp hatchery center in Semporna, Sabah, Malaysia, where we have been engaged to undertake the construction of hatchery buildings and related functional facilities. We are also assisting in the development of a 111-acre shrimp farm at Tawau, Sabah, Malaysia. This comprised 22.2%, 16.4% and 61.7% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively. From time to time, we also assist our customers in sourcing for building materials and machineries available for rental for use on their farms. This comprised 6.0%, 14.6% and 0.2% of our revenue for the financial year ended December 31, 2021, 2022 and 2023, respectively.

With our wide suite of services and diverse revenue streams, we are well-positioned to serve customers as a one-stop center for their aquaculture and agriculture needs.

Since our inception, our business has generated significant growth in revenue and profits. Our revenue increased from MYR72,310,038 for the year ended December 31, 2022, to MYR85,237,802 for the year ended December 31, 2023, representing an increase of 17.9%.

### Factors Affecting Our Financial Condition and Results of Operations

Our results of operations have been and will continue to be affected by several factors, including those set out below:

*We are dependent on a small number of key customers for continued sale of our services.*

Our revenue is concentrated among a small number of customers. In the financial year ended December 31, 2021, 2022 and 2023, our top four customers accounted for approximately 99.3%, 87.0% and 99.8% of our revenue. If any of these customers were to reduce or cease their business with the Company, it could have a material adverse impact on the Company's financial condition and results of operations.

The Company has taken steps to mitigate its customer concentration risk by diversifying its customer base and developing long-term relationships with its key customers. However, the Company remains exposed to customer concentration risk, and any significant changes in the business of its key customers could have a material adverse impact on its business.

In addition, the Company's business is dependent on the continued success of its customers. If any of the Company's customers were to experience financial difficulties or cease operations, it could have a material adverse impact on the Company's business.

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The Company is aware of the risks associated with customer concentration and is taking steps to mitigate these risks. However, investors should be aware of the potential for customer concentration to have a material adverse impact on the Company's business.

We expect to generate recurring revenue from existing customers for the next two to three years due to the fact that our current customers are the main players in Malaysia shrimp industry, and this trend of customer concentration is likely to be maintained in the next two to three years. We are currently trying to diversify our customers, but we believe that the contribution to our revenue from any such new customers will not initially be as significant as that from our current customers.

### ***The primary substantial portion of our revenues will be derived from Malaysia.***

In the financial year ended December 31, 2021, 2022 and 2023, all our revenue derived from operations in Malaysia. We anticipate that sales of our services in Malaysia will represent the majority of our revenues in the near future. Any significant decline in the condition of the economy of Malaysia could adversely affect consumer demand for our services, among other things, which in turn would have a material adverse effect on our business and financial condition. Such a decline would occur from numerous factors outside of our control including geopolitical disputes, regional and global economic trends and climatic and environmental disasters.

### ***We depend on a small number of individuals who constitute our current management.***

We highly depend on the services of our senior management team including Mr. Darren Hoo and Mr. Ng Kai Tie. The death, disability or other loss of members of our senior management team could result in us being unable to replace such member on reasonable economic terms or in a time period that meets our proposed plan of operations, if we are able to do so at all. We do not carry key-employee insurance to compensate us for the loss of any such individuals.

Our ability to recruit, retain, and motivate key employees may be hampered by market conditions. Competition for such employees can be intense, and the inability to attract and retain the additional qualified employees required to expand our activities, or the loss of current key employees could adversely affect our operating efficiency and financial condition. In addition, our growth strategy may place strains on our management who may become distracted from day-to-day duties.

## **Critical Accounting Policies and Use of Estimates**

### [Basis of presentation](#)

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC").

### [Principles of consolidation](#)

The consolidated financial statements include the financial statements of the Company and its subsidiary. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All transactions and balances among the Company and its subsidiary have been eliminated upon consolidation.

### [Use of estimates and assumptions](#)

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the

basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Significant accounting estimates reflected in the Company's consolidated financial statements include, but not limited to, allowance

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for expected credit losses, revenue recognition and uncertain tax position. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

## Risks and uncertainties

The main operations of the Company are located in Malaysia. Accordingly, the Company's business, financial condition, and results of operations may be influenced by political, economic, and legal environments in Malaysia, as well as by the general state of the economy in Malaysia. The Company's results may be adversely affected by changes in the political, regulatory and social conditions in Malaysia. Although the Company has not experienced losses from these situations and believe believes that it is in compliance with existing laws and regulations including its organization and structure, such experience may not be indicative of future results.

## Foreign currency translation and transaction

The accompanying consolidated financial statements are presented in the Malaysia Ringgit ("MYR"), which is the reporting currency of the Company. The functional currency of the Company in the Cayman Islands is United States Dollars ("USD"), its other subsidiaries which are incorporated in Malaysia are Malaysia Ringgit ("MYR"), which are their respective local currencies based on the criteria of ASC 830, "Foreign Currency Matters".

In the consolidated financial statements of the Company, transactions in currencies other than the functional currency are measured and recorded in the functional currency using the exchange rate in effect at the date of the transaction. At the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate at the balance sheet date. All gains and losses arising from foreign currency transactions are recorded in the consolidated statements of comprehensive income during the year in which they occur.

The following table outlines the currency exchange rates that were used in creating the consolidated financial statements in this report:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>
Year-end spot rate	MYR1 = USD4.1750	MYR1 = USD4.4002	MYR1 = USD4.5903
Average rate	MYR1 = USD4.1439	MYR1 = USD4.3982	MYR1 = USD4.5577

## Convenience translation

Translations of balances in the consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows from MYR into USD as of December 31, 2023 are solely for the convenience of the readers and are calculated at the rate of USD1.00 = MYR4.5903, representing the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 29, 2023. No representation is made that the MYR amounts could have been, or could be, converted, realized or settled into USD at such rate, or at any other rate.

## Fair value measurements

The Company's financial instruments, including cash and cash equivalents, investments in marketable securities, account receivables, contract assets, deposits and other receivables, account payables, amount due to a director, accrued liabilities and other payables and operating lease liabilities, have carrying amounts that approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosing the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets are a reasonable estimate of their fair values because of the short period between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

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- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

The following table presents information about the Company's financial assets and liabilities that were measured at fair value on a recurring basis as of December 31, 2021, 2022 and 2023 and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value.

	December 31, 2021	Quoted Prices in Active Market (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Input (Level 3)
	MYR	MYR	MYR	MYR
<b>Assets:</b>				
Investments in marketable securities	9,704,511	9,704,511	—	—
	December 31, 2022	Quoted Prices in Active Market (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Input (Level 3)
	MYR	MYR	MYR	MYR
<b>Assets:</b>				
Investments in marketable securities	14,272,365	14,272,365	—	—
	December 31, 2023	Quoted Prices in Active Market (Level 1)	Significant Other Observable Input (Level 2)	Significant Other Unobservable Input (Level 3)
	MYR	MYR	MYR	MYR
<b>Assets:</b>				
Investments in marketable securities	4,434,792	4,434,792	—	—

Fair value estimates are made at a specific point in time based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Cash and cash equivalents

Cash and cash equivalents primarily consist of bank deposits with original maturities of three months or less, which are unrestricted as to withdrawal and use. Cash and cash equivalents also consist of funds earned from the Company's operating revenues which were held at third party platform fund accounts which are unrestricted as to immediate use or withdrawal. The Company maintains most of its bank accounts in Malaysia.

Restricted cash

Restricted cash represents the fixed deposits that have been pledged to lenders as security for the Company's outstanding bank loan.



Accounts receivable, net

Accounts receivable include trade accounts due from customers. Accounts are considered overdue after 90 days from the date of invoice. In evaluating the collectability of receivable balances, the Company considers specific evidence including aging of the receivable, the client's payment history, its current creditworthiness, current economic trends, industry trend analysis, and the credit history and financial conditions of the customers. The Company regularly

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reviews the adequacy and appropriateness of the allowance for expected credit losses. Account balances are charged off against the allowance after all means of collection have been exhausted and the likelihood of collection is not probable. As of December 31, 2021, the Company did not make allowance for expected credit losses for accounts receivable after consideration of the balances aged within 90 days and not yet overdue and fully settled subsequent to year end. As of December 31, 2022, the Company did not make allowance for expected credit losses for accounts receivable after consideration of the following reasons: (1) the Company has on-going projects with the respective customers; (2) regular settlements from the respective customers; (3) the outstanding accounts receivable is still within the operating cycle of the Company; (4) the balances are matured within one year; and (5) all accounts receivable of MYR17,325,463 were fully settled subsequent to year end. As of December 31, 2023, the Company made allowance for expected credit losses amounted to RM281,479 (USD61,320) for accounts receivable based on the Company's expected credit losses methodology for the measurement of credit losses.

## Contract assets, net

Contract assets are recorded when the progress to completion revenue earned on contracts exceeds amounts actually billed under the contract.

## Deposits and other receivables

Deposits are mainly for rent, utilities and money deposited with certain vendors. These amounts are refundable and bear no interest. The short-term deposits usually have a one-year term and are refundable upon contract termination. As of December 31, 2022, an amount of MYR4,500,000 relating to the deposit for purchase of a property in Malaysia which has been subsequently refunded on July 31, 2023 due to cessation of acquisition. Other receivables mainly represented advances to subcontractor of MYR8,012,410, MYR4,481,511, MYR22,809,654 (USD4,969,099) as of December 31, 2021, 2022 and 2023, respectively, for the subcontracting construction services.

## Deferred initial public offering costs

The Company follows the requirements of the FASB ASC 340-10-S99-1 and SEC Staff Accounting Bulletin ("SAB") Topic 5A — "Expenses of Offering". Deferred initial public offering ("IPO") costs consist of underwriting, legal and other expenses incurred through the balance sheet date that are directly related to the intended IPO. Deferred IPO costs will be charged to shareholders' equity netted against the proceeds upon the completion of the IPO. Should the IPO prove to be unsuccessful, these deferred IPO costs, as well as additional expenses to be incurred, will be charged to statements of comprehensive income.

## Investment in marketable securities

Investments in marketable securities, net, consist of investments in listed shares, which are listed on Bursa Malaysia. Marketable securities are accounted for under ASC 321 and reported at their readily determinable fair values as quoted by market exchanges with changes in fair value recorded in other income in the consolidated statements of comprehensive income. All changes in a marketable security's fair value are reported in earnings as they occur, as such, the sale of a marketable security does not necessarily give rise to a significant gain or loss. Unrealized gains/(losses) due to fluctuations in fair value are recorded in the consolidated statements of comprehensive income. Declines in fair value below cost deemed to be other-than-temporary are recognized as impairments in the consolidated statements of comprehensive income.

## Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

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### **Expected useful lives**

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Office fixtures and furniture	10 years
Office equipment	10 years
Freehold property	50 years

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Expenditures for maintenance and repairs are charged to earnings as incurred, while additions, renewals and betterments, which are expected to extend the useful life of assets, are capitalized. The cost and related accumulated depreciation of assets sold or otherwise retired are eliminated from the accounts and any gain or loss is included in the consolidated statements of comprehensive income. The Company also re-evaluates the periods of depreciation to determine whether subsequent events and circumstances warrant revised estimates of useful lives.

### Impairment for long-lived assets

Long-lived assets, including property and equipment with finite lives are reviewed for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be recoverable. The Company assess the recoverability of the assets based on the undiscounted future cash flows the assets are expected to generate and recognize an impairment loss when estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. If an impairment is identified, the Company would reduce the carrying amount of the asset to its estimated fair value based on a discounted cash flows approach or, when available and appropriate, to comparable market values. As of December 31, 2021, 2022 and 2023, no impairment of long-lived assets was recognized.

### Accounts payable

Accounts payable represents trade payables to vendors.

### Contract liabilities

Contract liabilities are recorded when amounts billed under a contract exceed the progress towards completion of revenue earned under the contract. These payments are non-refundable and are recognized as revenue when our performance obligation is satisfied.

### Accrued liabilities and other payables

Accrued liabilities and other payables are primarily include salaries payable as well as other accrual and payable.

### Leases

ASC 842 supersedes the lease requirements in ASC 840 "Leases", and generally requires lessees to recognize operating and finance lease liabilities and corresponding operating lease right-of-use assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements. All leases in the Group are accounted for as operating leases.

The Company determine if an arrangement is a lease at inception. On the Company's balance sheet, the corporate office lease is included in operating lease right-of-use ("ROU") asset, current portion of operating lease liability and operating lease liability, net of current portion.

Operating lease ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. For leases that do not provide an implicit rate, The Company used the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company used the implicit rate when readily determinable. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Significant judgment may be required when determining whether a contract contains a lease, the length of the lease term, the allocation of the consideration in a contract between lease and non-lease components, and the determination of the discount rate included in the office lease. The Company reviewed the underlying objective of each contract, the terms of the contract, and consider the current and future business conditions when making these judgments.

Any lease with a term of 12 months or less is considered short-term. As permitted by ASC 842, short-term leases are excluded from the ROU assets and lease liabilities on the consolidated balance sheets. Consistent with all other operating leases, short-term lease expense is recorded on a straight-line basis over the lease term.

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The Company evaluates the impairment of its right-of-use assets consistent with the approach applied for its other long-lived assets. The Company reviews the recoverability of its long-lived assets when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on its ability to recover the carrying value of the asset from the expected undiscounted future pre-tax cash flows of the related operations. The Company has elected to include the carrying amount of finance and operating lease liabilities in any tested asset group and include the associated lease payments in the undiscounted future pre-tax cash flows. For the years ended December 31, 2021, 2022 and 2023, the Company did not have any impairment loss against its operating lease right-of-use assets.

### Bank loan

Bank loan comprises a long-term loan. Bank loan is recognized initially at fair value, net of transaction costs incurred. Bank loan is subsequently stated at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

The bank loan as of December 31, 2023 are set out below:

<b>Bank loan</b>	<b>Principal amount</b>	<b>Maturity date</b>	<b>Period</b>	<b>Interest rate</b>	<b>Third party guarantee</b>	<b>Directors' personal guarantee</b>
						<b>MYR</b>
Maybank <sup>(1)</sup> Commodity Murabahah Term Financing-i	MYR390,600	November 30, 2033	10 years	Base Financing Rate minus 2.00%	Nil	390,600

(1) MMSB entered into a loan agreement with Maybank Islamic Berhad on April 5, 2023.

For the year ended December 31, 2023, the effective interest rate of the Company's bank loan was 4.65%.

Other than directors' personal guarantee, the bank loan are secured by freehold property and bank loan assignment over an insurance policy for a director of the Company.

### Revenue recognition

The Company elected to adopt Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (ASC 606), effective as of April 1, 2020. Accordingly, the consolidated financial statements for the year ended December 31, 2021, 2022 and 2023 are presented under ASC 606. The Company recognizes revenue to depict the transfer of promised goods or services (that is, an asset) to customers in an amount that reflects the consideration to which the Company expects to receive in exchange for those goods or services. An asset is transferred when the customer obtains control of that asset. It also requires the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The Company elected the modified retrospective method which required a cumulative adjustment to retained earnings instead of retrospectively adjusting prior periods. The adoption of ASC 606 did not have a material impact on the Company's consolidated financial statements.

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a

significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Currently, the Company's contracts do not include such variable amount. During the year, there is no provision for onerous contracts.

The Company generates its revenues primarily from development of new aquaculture and agriculture farms, upgrading of aquaculture and agriculture farms, sales of industrial supplies and rental of machinery to its customers.

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Generally, revenue is recognized when the Company has negotiated the terms of the transaction, which includes determining either the overall price, or the price for each performance obligation in the form of a service or a product, the service or product has been delivered to the customer, no obligation is outstanding regarding that service or product, and the Company is reasonably assured that funds have been or will be collected from the customer.

To achieve that core principle, the Company applies the five steps defined under Topic 606:

1. identify the contract(s) with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the entity satisfies a performance obligation.

The determination of whether revenues should be reported on a gross or net basis is based on the Company's assessment of whether it is the principal or an agent in the transaction in accordance with ASC 606-10-55 and depends on whether the promise to the customer is to provide the products or to facilitate a sale by a third party. The nature of the promise depends on whether the Company control the products prior to transferring it. When the Company controls the products, the promise is to provide and deliver the products and revenue is presented gross. When the Company does not control the products, the promise is to facilitate the sale and revenue is presented net. To distinguish a promise to provide products from a promise to facilitate the sale from a third party, the Company considers the guidance of control in ASC 606-10-55-37A and the indicators in 606-10-55-39. The Company considers this guidance in conjunction with the terms in its arrangements with both suppliers and customers.

Revenue is presented in the consolidated statements of comprehensive income. The Company does not offer rights of refund of previously paid or delivered amounts, rebates, warranty, rights of return or price protection. In all instances, the Company limits the amount of revenue recognized to the amounts for which it has the right to bill its' customers.

The Company currently generates its revenue by the below sources:

### *(a) Development of new aquaculture and agriculture farms*

The Company currently generates revenue from the development of new aquaculture and agriculture farms. The Company is typically contracted through invitation to tender from or corporate negotiation with existing or potential customers in Malaysia. The Company designs and develops aquaculture and agriculture farms based on customers' specific needs. The contract does not provide any post-contract customer warranty, support, or upgrades and there is no retention withheld by customers. The duration of the development period primarily between 6 to 18 months.

In general, the design and builds of farming mainly consist of four components:

- Irrigation System
- Earthwork
- Water Discharge System
- Electrical Works

The design of aquaculture and agriculture farms can have a significant impact on the productivity, efficiency, and sustainability of the farm. Some important factors to consider when designing aquaculture and agriculture farms include site selection, infrastructure design and sustainable practices.

The Company recognizes revenue using the percentage-of-completion method, based primarily on contract costs incurred to date compared to total estimated contract costs. The percentage-of-completion method (an



input method) is the most representative depiction of the Company's performance because it directly measures the value of the services or products transferred to the customer. Subcontractor, building materials, labor and equipment are included in revenue and cost of revenue when management believes that the Company is acting as a principal rather than

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as an agent (e.g., the Company integrates the materials and labor into the deliverable promised to the customer or is otherwise primarily responsible for fulfillment and acceptability of the materials and labor). The performance obligation to transfer the completed products are not separately identifiable, which is evidencing by the fact that the Company provides a significant service of integrating the goods and services into products for which the customer has contracted. As such, the Company's contracts typically contain one single performance obligation to complete a defined construction project. The Company currently does not have any modification of contract and the contract currently does not have any variable consideration. The transaction price is clearly identifiable within service contracts. Historically, any contract acquisition costs have been immaterial; in the event that such costs arose, the Company expenses such costs incurred as periodic cost.

Recognition of revenue and cost of revenue for construction projects requires significant judgment by management, including, among other things, estimating total costs expected to be incurred to complete a project and measuring progress toward completion. Management reviews contract estimates regularly to assess revisions of estimated costs to complete a project and measurement of progress toward completion. Management believes it maintains reasonable estimates based on prior experience; however, many factors contribute to changes in estimates of contract costs. Accordingly, estimates made with respect to uncompleted projects are subject to change as each project progresses and better estimates of contract costs become available. All contract costs are recorded as incurred, and revisions to estimated total costs are reflected as soon as the obligation to perform is determined. In the event that an estimated losses on uncompleted contracts (there is none for years ended December 31, 2021, 2022 and 2023) may occur based on evidence that indicates that the estimated total cost of a contract exceeds its estimated total revenue, regardless of the stage of completion, a provision for the loss of the full amount will be recognized to the result of operations. Contract costs consist of costs on contracts, including labor, machine rental cost, materials, and amounts payable to subcontractors.

The Company's contracts set forth payment terms that require the customer to make payment within 90 days of billing which is triggered by the Company reaching the milestone to bill the customer. Management does not believe that its contracts include a significant financing component because the period between delivery or the contracting services to the customer and the time of payment does not typically exceed one year.

The Company has no obligations for returns, refunds, or similar obligations of its projects with customers.

For the years ended December 31, 2021, 2022 and 2023, the Company is not aware of any material claims against the Company in relation to development of new aquaculture and agriculture farms provided.

The Company has elected to apply the practical expedient to recognize the incremental costs of obtaining a contract as an expense if the amortization period of the asset would have been one year or less. The Company considers the guidance of control in ASC 340-40, there were no incremental costs incurred for the years ended December 31, 2021, 2022 and 2023.

### *(b) Upgrading of aquaculture and agriculture farms*

Revenue from upgrading service contracts, which require the Company to provide technical support and labor services for upgrading of aquaculture and agriculture farms during the contracted periods, is generally between 3 to 18 months. For aquaculture farms (particularly shrimp farms), the focus areas of our works include ensuring proper water levels and quality, aeration and circulation systems and water intake, distribution, and discharge systems of shrimp ponds. For the agriculture farms (particularly pineapple farms), the focus area of our works is soil preparation which involves the improvement of soil structure and aeration. The upgrading services considered to be one single performance obligation since the work procedures are interrelated and affect the functions of each other like the seawater intake system, water distribution system, shrimp ponds, cables, paddle wheels, and water discharge system and work in conjunction are to ensure the farm operates effectively.

The Company recognizes revenue from upgrading of aquaculture and agriculture farms using the percentage-of-completion method, based primarily on contract costs incurred to date compared to total estimated contract costs. The percentage-of-completion method (an input method) is the most representative depiction of the Company's performance because it directly measures the value of the services or products transferred to the customer.

Subcontractor, building materials, labor and equipment are included in revenue and cost of revenue. The performance obligation to transfer the completed products are not separately identifiable, which is evidencing by the fact that the

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Company provides a significant service of integrating the goods and services into products for which the customer has contracted. As such, the Company's contracts typically contain one single performance obligation to complete a defined upgrading services. The Company currently does not have any modification of contract and the contract currently does not have any variable consideration. The transaction price is clearly identifiable within service contracts. Historically, any contract acquisition costs have been immaterial; in the event that such costs arose, the Company expenses such costs incurred as periodic cost.

The Company's contracts set forth payment terms that require the customer to make payment within 90 days of billing which is triggered by the Company reaching the milestone to bill the customer. Management does not believe that its contracts include a significant financing component because the period between delivery or the contracting services to the customer and the time of payment does not typically exceed one year.

The Company has no obligations for returns, refunds, or similar obligations of its projects with customers.

For the years ended December 31, 2021, 2022 and 2023, the Company is not aware of any material claims against the Company in relation to upgrading of new aquaculture and agriculture farms provided.

The Company has elected to apply the practical expedient to recognize the incremental costs of obtaining a contract as an expense if the amortization period of the asset would have been one year or less. The Company considers the guidance of control in ASC 340-40, there were no incremental costs incurred for the years ended December 31, 2021, 2022 and 2023.

### *(c) Sales of industrial supplies*

The Company also generates revenue from sales of industrial supplies. The Company typically receives purchase orders from its customers which will set forth the terms and conditions including the transaction price, products to be delivered, terms of delivery, and terms of payment. The terms serve as the basis of the performance obligations that the Company must fulfil in order to recognize revenue. The key performance obligation is the delivery of the industrial supplies to the customer at their specified location at which point control to that asset passes to the customer. The completion of this earning process is evidenced by a written customer acceptance indicating receipt of the product. Typical payment terms set forth in the invoice is 30 days from the invoice date.

The industrial supplies were delivered directly to customers by the suppliers and relevant shipping and handling costs for the delivery will be charged to cost of revenue once incurred.

The transaction price does not include variable consideration related to returns or refunds as the contracts do not include provisions that allow for sales refunds or returns of products. For the years ended December 31, 2021, 2022 and 2023, the Company is not aware of any material claims against the Company in relation to the sale of industrial supplies.

The Company is a principal and records revenue on a gross basis as the Company is primarily responsible for fulfilling the goods or services to the customers, is subject to inventory risk, has discretion in establishing pricing and the ability to direct the control of the promised goods before transferring those goods to the customers.

### *(d) Rental of machinery*

Rental of machinery income are mainly leasing of excavators and cranes from third party supplier, whose equipment are ready to use without, or willing to modification. The Company then sublets these excavators and cranes to customers with the desired effect of generating a spread between its leasing cost and rental income to generate profit margins. Under the terms and conditions of the agreements that company enters, the Company acts a principal in the transaction because the Company takes the risk of loss from lack of rental income if itself has leased the machinery as a lessee, but has not procured a lessee to fill the to rent the machineries; accordingly, the Company recognizes rental income using the gross method.

The rental agreements vary with regard to length and payment terms, usually one to six months, subject to the mutual consent of the Company and the lessee. Billing will be raised on monthly basis and payment terms set forth in the invoice is 60 days from the invoice date.

Additionally, the Company, acting as a lessor, accounts for its leases in accordance to ASC 842. Based on the terms and conditions of the leases set forth in rental agreements. The Company has recognized the leases as operating leases. The lessees have no right to terminate the rental agreements.

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### Other income

Interest income is mainly generated from savings and time deposits and is recognized on an accrual basis using the effective interest method.

### Cost of revenue

Cost of revenue consists primarily of buildings material cost, labor cost, machine rental cost and sub-contracting cost. Sub-contracting fee includes both subcontracting costs and other outside costs associated with performance under contracts with customers. Labor costs represent the portion of salaries and wages incurred in connection with the production of deliverables under contracts with customers.

### General and administrative expenses

General and administrative expenses mainly consist of staff cost, depreciation, office supplies and upkeep expenses, travelling and entertainment, legal and professional fees and other miscellaneous administrative expenses.

### Employee compensation

The full-time employees of the Company's subsidiary in Malaysia are entitled to the government mandated defined contribution plan, such as social security, employee provident fund, employment insurance, and human resource development fund, as required by labor laws in Malaysia. The Company is required to accrue and pay for these benefits based on certain percentages of the employees' respective salaries, subject to certain ceilings, in accordance with the relevant government regulations, and make cash contributions to the government mandated defined contribution plan.

### Segment reporting

ASC Topic 280, Segment Reporting, establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, business segments and major customers in financial statements for details on the Company's business segments. The Company uses the "management approach" in determining reportable operating segments.

The management approach considers the internal organization and reporting used by the Company's chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company's reportable segments. Management, including the chief operating decision maker, reviews operation results by the revenue of different products or services. Based on management's assessment, the Company has determined that it has only one operating segment. All assets are based in Malaysia and all revenue are generated from Malaysia.

### Income taxes

The Company accounts for income taxes in accordance with U.S. GAAP for income taxes. The charge for taxation is based on the results for the fiscal year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes are accounted for using the asset and liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred

tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

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An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Income tax penalties are accrued related to late in submission of income tax for the years ended December 31, 2021, 2022 and 2023. The Company had no uncertain tax positions for the years ended December 31, 2021, 2022 and 2023. The Company does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months.

## Earnings per share

The Company computes earnings per share (“EPS”) in accordance with ASC 260, “Earnings per Share”. ASC 260 requires companies to present basic and diluted EPS. Basic EPS is measured as net income divided by the weighted average ordinary share outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of the potential ordinary shares (e.g., convertible securities, options and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential ordinary shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. For the years ended Decembers 31, 2021, 2022 and 2023, there were no dilutive shares.

## Related party

The Company adopted ASC 850, Related Party Disclosures, for the identification of related parties and disclosure of related party transactions.

## Commitments and contingencies

In the normal course of business, the Company is subject to contingencies, including legal proceedings and claims arising out of the business that relate to a wide range of matters, such as government investigations and tax matters. The Company recognizes a liability for such contingency if it determines it is probable that a loss has occurred and a reasonable estimate of the loss can be made. The Company may consider many factors in making these assessments including historical and the specific facts and circumstances of each matter.

## Recent accounting pronouncements

The Company considers the applicability and impact of all accounting standards updates (“ASUs”). Management periodically reviews new accounting standards that are issued. Under the Jumpstart Our Business Startups Act of 2012, as amended (the “JOBS Act”), the Company meets the definition of an emerging growth company and has elected the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

## Recently adopted accounting pronouncements

In May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduced the expected credit losses methodology for the measurement of credit losses on financial assets measured at amortized cost basis, replacing the previous incurred loss methodology. The amendments in Update 2016-13 added Topic 326, Financial Instruments — Credit Losses, and made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments — Credit Losses — Available-for-Sale Debt Securities. The amendments in this Update address those stakeholders’ concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. For those entities, the targeted transition relief will increase comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furthermore, the targeted transition relief also may reduce the costs for some entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information. In November 2019, the FASB issued ASU No. 2019-10, which to update the effective date of ASU No. 2016-13 for





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private companies, not-for-profit organizations and certain smaller reporting companies applying for credit losses, leases, and hedging standard. The new effective date for these preparers is for fiscal years beginning after December 15, 2022. ASU 2019-05 is effective for the Company for annual and interim reporting periods beginning April 1, 2023 as the Company is qualified as an emerging growth company. The Company has adopted this standard on April 1, 2023, the adoption did not have a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. The amendments in this Update simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted, including adoption in any interim period for (1) public business entities for periods for which financial statements have not yet been issued and (2) all other entities for periods for which financial statements have not yet been made available for issuance. An entity that elects to early adopt the amendments in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Additionally, an entity that elects early adoption must adopt all the amendments in the same period. The Company has adopted of this standard on April 1, 2022, the adoption did not have a material impact on its consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires entities to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The update will generally result in an entity recognizing contract assets and contract liabilities at amounts consistent with those recorded by the acquiree immediately before the acquisition date rather than at fair value. The new standard is effective on a prospective basis for fiscal years beginning after December 15, 2022, with early adoption permitted. This standard is effective for the Company on April 1, 2023 and the Company does not expect a significant impact to the consolidated financial statements upon adoption. However, the ultimate impact is dependent upon the size and frequency of future acquisitions.

### *Recently issued accounting pronouncements*

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”). The amendments in ASU 2023-07 improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for annual periods beginning after December 15, 2023. Adoption of ASU 2023-07 should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”), which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

Except as mentioned above, the Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a potential material effect on the Company's consolidated balance sheets, statements of comprehensive loss and statements of cash flows, and related disclosures.

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**Results of Operations**

The following table sets forth a summary of our consolidated results of operations for the periods indicated, both in absolute amount and as a percentage of its total revenue.

	For the year ended December 31,						
	2021		2022		2023		
	MYR	% of revenue	MYR	% of revenue	MYR	USD	% of revenue
Revenue	45,955,991	100.0%	72,310,038	100.0%	85,237,802	18,569,114	100.0%
Cost of revenue	(36,092,005)	(78.5)%	(57,871,113)	(80.0)%	(70,955,721)	(15,457,752)	(83.2)%
<b>Gross profit</b>	<b>9,863,986</b>	<b>21.5%</b>	<b>14,438,925</b>	<b>20.0%</b>	<b>14,282,081</b>	<b>3,111,362</b>	<b>16.8%</b>
General and administrative expenses	(4,783,581)	(10.4)%	(2,694,918)	(3.7)%	(4,030,856)	(878,125)	(4.7)%
Interest expenses	(1,820)	(0.0)%	(386)	(0.0)%	(1,543)	(336)	(0.0)%
Allowance for expected credit losses	—	—	—	—	(281,479)	(61,320)	(0.3)%
<b>Profit from operation</b>	<b>5,078,585</b>	<b>11.1%</b>	<b>11,743,621</b>	<b>16.2%</b>	<b>9,968,203</b>	<b>2,171,581</b>	<b>11.7%</b>
Other income							
Fair value gain on marketable securities	4,654,322	10.1%	123,652	0.2%	1,552,582	338,231	1.8%
Interest income	1,468	0.0%	2,325	0.0%	1,633	356	0.0%
<b>Profit before income taxes</b>	<b>9,734,375</b>	<b>21.2%</b>	<b>11,869,598</b>	<b>16.0%</b>	<b>11,522,418</b>	<b>2,510,168</b>	<b>13.5%</b>
Income tax expense	(2,425,572)	(5.3)%	(3,658,661)	(5.1)%	(3,235,342)	(704,821)	(3.8)%
<b>Net Income</b>	<b>7,308,803</b>	<b>15.9%</b>	<b>8,210,937</b>	<b>11.3%</b>	<b>8,287,076</b>	<b>1,805,347</b>	<b>9.7%</b>

**Comparison of Year Ended December 31, 2021, 2022 and 2023**

**Revenue**

We generate revenue primarily from (i) development of new aquaculture and agriculture farms; (ii) upgrading of aquaculture and agriculture farms; (iii) sales of industrial supplies; and (iv) rental of machinery. Project services include upgrading works as well as design and development works. Total revenues increased by MYR26,354,047 or 57.3%, from MYR45,955,991 for the year ended December 31, 2021, to MYR72,310,038 for the year ended December 31, 2022. Total revenues increased by MYR12,927,764 or 17.9%, from MYR72,310,038 for the year ended December 31, 2022, to MYR85,237,802 for the year ended December 31, 2023.

The following table sets forth our revenue by sales categories for the periods indicated.

	For the year ended December 31,						
	2021		2022		2023		
	MYR	% of revenue	MYR	% of revenue	MYR	USD	% of revenue
Development of new aquaculture and agriculture farms	10,200,000	22.2%	11,841,961	16.4%	52,582,024	11,455,030	61.7%

Upgrading of aquaculture and agriculture farms	32,984,551	71.8%	49,885,077	69.0%	32,485,378	7,076,962	38.1%
Sales of industrial supplies	547,440	1.2%	6,941,000	9.6%	170,400	37,122	0.2%
Rental of machinery	2,224,000	4.8%	3,642,000	5.0%	—	—	—
<b>Total revenue</b>	<b>45,955,991</b>	<b>100.0%</b>	<b>72,310,038</b>	<b>100.0%</b>	<b>85,237,802</b>	<b>18,569,114</b>	<b>100.0%</b>

During the year ended December 31, 2021, 2022 and 2023, revenue from development of new aquaculture and agriculture farms accounted for 22.2%, 16.4% and 61.7% of the total revenue, respectively, while revenue from upgrading of aquaculture and agriculture farms accounted for 71.8%, 69.0% and 38.1% of the total revenue, respectively. In addition, revenue from sales of industrial supplies accounted for 1.2%, 9.6% and 0.2% during the year ended December 31, 2021, 2022 and 2023 respectively, while revenue from rental of machinery accounted for 4.8%, 5.0% and Nil during the year ended December 31, 2021, 2022 and 2023 respectively.

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Total revenue increased by 57.3%, from MYR45,955,991 for the year ended December 31, 2021, to MYR72,310,038 for the year ended December 31, 2022, primarily due to the following reasons:

- i) an increase in revenue from upgrading of aquaculture and agriculture farms by MYR16,900,526 or 51.2% from MYR32,984,551 for the year ended December 31, 2021, to MYR49,885,077 for the year ended December 31, 2022, as we ramped up a series of upgrading works for aquaculture farms in Tawau, Sabah, Malaysia as well as a pineapple plantation farm located at Kota Tinggi, Johor, Malaysia;
  - Revenue from upgrading of aquaculture and agriculture farms of MYR32,984,551 for the year ended December 31, 2021 consists of revenue from three projects relating to upgrading and maintenance works for aquaculture farms in Tawau, Sabah, Malaysia. As at December 31, 2021, two out of the three above mentioned projects were still ongoing at stages of completion of 23.2% and 65.1% respectively, while the remaining project has been completed.
  - Revenue from upgrading of aquaculture and agriculture farms of MYR49,885,077 for the year ended December 31, 2022 consists of revenue from two projects relating to upgrading and maintenance works for aquaculture farms in Tawau, Sabah, Malaysia amounted to MYR31,560,227, which were projects carried forward from the prior year, and two new projects relating to upgrading works for pineapple plantation farms in Kota Tinggi, Johor, Malaysia amounted to MYR18,324,850. As at December 31, 2022, one of the projects relating to upgrading and maintenance works for aquaculture farms in Tawau, Sabah, Malaysia, was still ongoing at stage of completion 99.19%, while remaining three projects have been completed.
- ii) an increase in revenue from sales of industrial supplies by MYR6,393,560 or 1,167.9% from MYR547,440 for the year ended December 31, 2021 to MYR6,941,000 for the year ended December 31, 2022 due to an increase in sales of higher value industrial supplies to our customers;
- iii) an increase in revenue from development of new aquaculture and agriculture farms by MYR1,641,961 or 16.1% from MYR10,200,000 for the year ended December 31, 2021, to MYR11,841,961 for the year ended December 31, 2022, mainly due to new projects relating to the development of new shrimp hatchery center and shrimp farm in Sabah, Malaysia; and
- iv) an increase in revenue from rental of machinery by MYR1,418,000 or 63.8% from MYR2,224,000 for the year ended December 31, 2021, to MYR3,642,000 for the year ended December 31, 2022, mainly due to the increase in demand for rental of machineries by our customers.

Total revenue increased by 17.9%, from MYR72,310,038 for the year ended December 31, 2022, to MYR85,237,802 for the year ended December 31, 2023, primarily due to the following reason:

- i) an increase in revenue from development of new aquaculture and agriculture farms by MYR40,740,063 or more than 100.0% from MYR11,841,961 for the year ended December 31, 2022, to MYR52,582,024 for the year ended December 31, 2023, mainly contributed by the increase in percentage of completion for the development of new shrimp hatchery center and shrimp farm in Sabah, Malaysia with total contract sum of RM106,746,450. The percentage of completion from 7.6% as of December 31, 2022 increased to 52.2% as of December 31, 2023.

However, the increase in revenue is partially offset by the following reasons:

- i) decrease in revenue from upgrading of aquaculture and agriculture farms by MYR17,399,699 or 34.9% from MYR49,885,077 for the year ended December 31, 2022, to MYR32,485,378 for the year ended December 31, 2023, as the upgrading works for aquaculture farms in Tawau, Sabah, Malaysia as well as a pineapple plantation farm located at Kota Tinggi, Johor, Malaysia are close to completion, which resulted in decrease in progress billings to the customers. The revenue generated from the two projects in December 31, 2023 were amounted to RM11,907 (December 31, 2022: RM31,560,227) and RM1,684,700 (December 31, 2022: RM18,324,850) respectively. However, the decrease is mitigated by revenue generated from two new projects for the upgrading works for aquaculture farms in Tawau, Sabah, Malaysia in December 31, 2023 amounted to RM13,261,272 and a pineapple plantation farm located at Kota Tinggi, Johor, Malaysia amounted to RM17,527,500.

As at December 31, 2023, one of the projects relating to upgrading and maintenance works for aquaculture farm in Tawau, Sabah, Malaysia, was still ongoing at stage of completion 54.60%, while upgrading and maintenance works for a pineapple plantation farm has been completed;

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- ii) decrease in revenue from sales of industrial supplies by MYR6,770,600 or 97.6% from MYR6,941,000 for the year ended December 31, 2022 to MYR170,400 for the year ended December 31, 2023 due to decrease in demand from our customers;
- iii) decrease in revenue from rental of machinery by MYR3,642,000 or 100.0% from MYR3,642,000 for the year ended December 31, 2022, to MYRNil for the year ended December 31, 2023, mainly due to the lower demand for rental of machineries by our customers.

Nevertheless, we expect that there will be a slight change in the proportion of the revenue contribution in future financial periods. Through our discussions with customers on their future plans, they are more inclined towards maintaining the same land footprint and improving farm output efficiency, through a series of upgrading works.

### ***Cost of revenue***

The cost of revenue primarily consists of subcontracting cost, and purchase of building material and rental of machinery. The total cost of revenue increased by MYR21,779,108, or 60.3%, from MYR36,092,005 for the year ended December 31, 2021, to MYR57,871,113 for the year ended December 31, 2022. The total cost of revenue increased by MYR13,084,608, or 22.6%, from MYR57,871,113 for the year ended December 31, 2022, to MYR70,955,721 for the year ended December 31, 2023.

The following table sets forth our cost of revenue by sales categories for the periods indicated.

	For the year ended December 31,						
	2021		2022		2023		
	MYR	% of revenue	MYR	% of revenue	MYR	USD	% of revenue
Development of new aquaculture and agriculture farms	8,245,000	18.0%	9,976,242	13.8%	44,669,424	9,731,265	52.4%
Upgrading of aquaculture and agriculture farms	25,249,965	54.9%	37,887,871	52.4%	26,123,097	5,690,934	30.6%
Sales of industrial supplies	526,040	1.1%	6,582,200	9.1%	163,200	35,553	0.2%
Rental of machinery	2,071,000	4.5%	3,424,800	4.7%	—	—	—
<b>Total revenue</b>	<b>36,092,005</b>	<b>78.5%</b>	<b>57,871,113</b>	<b>80.0%</b>	<b>70,955,721</b>	<b>15,457,752</b>	<b>83.2%</b>

In our cost of revenue, the cost of development of new aquaculture and agriculture farms as well as upgrading of aquaculture and agriculture farms is mainly comprised of subcontracting costs. The cost of sales of industrial supplies and rental of machinery mainly includes sourcing of building materials and machineries respectively. The overall 60.3% and 22.6% increase in cost of revenue for the year ended December 31, 2022 and 2023 are in line with the increase in our revenue over the same period.

### ***Gross profit***

For the year ended December 31, 2021, 2022 and 2023, our gross profit was MYR9,863,986, MYR14,438,925 and MYR14,282,081, respectively, and our gross profit margins were 21.5%, 20.0% and 16.8%, respectively. The margins remained relatively constant and the increase in gross profit is in line with the increase in our revenue over the financial year ended December 31, 2021 and 2022. The margins slight decrease in gross profit in the financial year ended December 31, 2023 is due to higher cost of revenue.

### ***General and administrative expenses***

General and administrative expenses consisted primarily of office rental, salary and welfare expenses, tax penalties and professional service fees. General and administrative expenses decreased by MYR2,088,663 or 43.7%, from MYR4,783,581 for the year ended December 31, 2021, to MYR2,694,918 for the year ended December 31, 2022, mainly due to significant decrease in tax penalties and professional fees by MYR867,250 and MYR1,836,775 respectively, offset by an increase in investment charges by MYR759,326.



General and administrative expenses increased by MYR1,335,938 or 49.6%, from MYR2,694,918 for the year ended December 31, 2022, to MYR4,030,856 for the year ended December 31, 2023, mainly due to significant increase in professional fees by MYR2,033,025 and increase in tax penalties by MYR751,775.

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### ***Interest expenses***

Interest expenses consisted primarily of interest expenses from finance lease liabilities and bank loan. For the year ended December 31, 2021, 2022 and 2023, interest expenses was MYR1,820, MYR386 and MYR1,543, respectively.

### ***Allowance for expected credit losses***

Allowance for expected credit losses on accounts receivable was MYRNil, MYRNil and MYR281,479 for the year ended December 31, 2021, 2022 and 2023.

### ***Fair value gain on marketable securities***

Fair value gain on marketable securities decreased by MYR4,530,670 or 97.3% from MYR4,654,322 for the year ended December 31, 2021, to MYR123,652 for the year ended December 31, 2022. The decrease was mainly due to unrealised fair value losses on investments in marketable securities of MYR1,784,544 for the year ended December 31, 2022 compared to unrealised fair value gains on investments in marketable securities of MYR1,740,570 for the year ended December 31, 2021. In addition, the decrease was also due to lower realised fair value gains on disposal of marketable securities of MYR1,908,196 for the year ended December 31, 2022 compared to MYR2,913,752 for the year ended December 31, 2021.

Fair value gain on marketable securities increased by MYR1,428,930 or more than 100% from MYR123,652 for the year ended December 31, 2022, to MYR1,552,582 for the year ended December 31, 2023. The increase was mainly due to lower unrealised fair value losses on investments in marketable securities of MYR75,236 for the year ended December 31, 2023 compared to unrealised fair value losses on investments in marketable securities of MYR1,784,544 for the year ended December 31, 2022.

### ***Interest income***

Interest income consisted primarily of interest income from bank deposits. For the year ended December 31, 2021, 2022 and 2023, interest income was MYR1,468, MYR2,325 and MYR1,633, respectively.

### ***Income tax expense***

Our income tax expense increased by MYR1,233,089 or 50.8% from MYR2,425,572 for the year ended December 31, 2021, to MYR3,658,661 for the year ended December 31, 2022. The effective tax rates are 24.9% and 30.8% for the year ended December 31, 2021 and 2022 respectively. The increase in effective tax rate for the year ended December 31, 2022 is mainly due to higher expenses incurred that are not deductible for calculation of income tax purposes.

Our income tax expense decreased by MYR423,319 or 11.6% from MYR3,658,661 for the year ended December 31, 2022, to MYR3,235,342 for the year ended December 31, 2023. The effective tax rates are 30.8% and 28.1% for the year ended December 31, 2022 and 2023 respectively. The decrease in effective tax rate for the year ended December 31, 2023 is mainly due to higher income generated that are not taxable for calculation of income tax purposes.

### ***Net income***

As a result of the foregoing, our net income increased by MYR902,134, or 12.3%, from MYR7,308,803 for the year ended December 31, 2021, to MYR8,210,937 for the year ended December 31, 2022. However, net income increased marginally by MYR76,139 or 0.9%, from MYR8,210,937 for the year ended December 31, 2022 to MYR8,287,076 for the year ended December 31, 2023 due to increase in general and administrative expenses and allowance for expected credit losses on accounts receivable, offset by increase in fair value gain on marketable securities.

## **Liquidity and Capital Resources**

The Company's accounts have been prepared assuming that the company will continue as a going concern basis. The going concern basis assumes that assets are realized and liabilities are extinguished in the ordinary course of

business at amounts disclosed in the financial statements. The Company's ability to continue as a going concern depends upon aligning its sources of funding (debt and equity) with the expenditure requirements of the Company and repayment of the short-term debt facilities, if any, as and when they fall due.

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The Company has considered whether there is substantial doubt about its ability to continue as a going concern. Cash flow from operations and capital contributions and advances from a director have been utilized to finance the working capital requirements of the Company. As of December 31, 2023, the Company has negative cash flow from operating activities of MYR20,950,969 (USD4,564,182). However, the Company has positive cash flow from investing activities of MYR15,327,956 (USD3,339,206), which the Company mainly obtain the proceeds from disposal of marketable securities and deposits refunded for purchase of property. And the Company had a positive balance of MYR4,116,347 (USD896,749) in cash and cash equivalents, which is unrestricted as to withdrawal and use as of December 31, 2023. In view of these circumstances, the management of the Company has given consideration to the future liquidity and performance of the Company and its available sources of finance in assessing whether the Company will have sufficient financial resources to continue as a going concern.

Based on the above and taking into consideration our funding requirements, the expected cash flows from operations and our existing level of cash and cash equivalents, the management of the Company believes that the Company will have sufficient working capital for its present requirements.

Furthermore, pertaining to the capital commitment, the Company intends to use proceeds from this offering for the development of Smart Farming System, which includes establishment of research and development facility, machineries and equipment for approximately MYR7,000,000 (USD1,500,000). Please refer to “Use of Proceeds” for more information. As such, the development of Smart Farming System will not cause any impact on our liquidity in the near future.

### ***Cash Flows Analysis***

The following table sets forth a summary of our cash flows for the periods indicated.

	For the year ended			
	December 31,			
	2021	2022	2023	
	MYR	MYR	MYR	USD
Net cash provided by/(used in) operating activities	5,733,306	15,454,575	(20,950,969)	(4,564,182)
Net cash (used in)/provided by investing activities	(5,050,189)	(9,004,739)	15,327,956	3,339,206
Net cash provided by/(used in) financing activities	973,000	(982,983)	2,534,630	552,170
Increase/(Decrease) in cash and cash equivalents	1,656,117	5,466,853	(3,088,383)	(672,806)
Cash and cash equivalents at the beginning of the period	81,760	1,737,877	7,204,730	1,569,555
Cash and cash equivalents at the end of the period	1,737,877	7,204,730	4,116,347	896,749

### ***Operating Activities***

For the year ended December 31, 2023, net cash used in operating activities of MYR20,950,969 primarily resulted from changes in operating activities and as adjusted for non-cash items despite generated net income of MYR8,287,076. Adjustments for non-cash items primarily consisted fair value gain on marketable securities amounting to MYR1,552,582.

Changes in operating assets and liabilities mainly included:

- (i) an increase in accounts receivable of MYR3,046,438, mainly due to an increase in billings in line with the increase in revenue;

- (ii) a decrease in contract assets of MYR2,126, mainly resulting from the decrease of the unbilled revenue;
- (iii) an increase in deposits and other receivables of MYR20,109,665, mainly due to increase in advances to subcontractors;
- (iv) a decrease in accounts payable of MYR1,891,628, mainly due to prompt payments to suppliers and subcontractors;

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- (v) a decrease in contract liabilities of MYR1,714,269, mainly due to revenue recognized during the year exceeding advances receipts from customers;
- (vi) a decrease in accrued liabilities and other payables of MYR4,451,514, mainly due to accruals in tax penalties; and
- (viii) an increase in income taxes payables of MYR3,235,342, mainly due to an increase in tax provisions.

For the year ended December 31, 2022, net cash generated from operating activities of MYR15,454,575 primarily resulted from our net income of MYR8,210,937, as adjusted for non-cash items and changes in operating activities. Adjustments for non-cash items primarily consisted fair value gain on marketable securities amounting to MYR123,652.

Changes in operating assets and liabilities mainly included:

- (i) an increase in accounts receivable of MYR6,722,023, mainly due to an increase in billings in line with the increase in revenue;
- (ii) a decrease in contract assets of MYR906,985, mainly resulting from the decrease of the unbilled revenue;
- (iii) a decrease in deposits and other receivables of MYR2,640,348, mainly due to deferred initial public offering costs and the decreased advances to subcontractors;
- (iv) a decrease in accounts payable of MYR4,944,902, mainly due to prompt payments to suppliers and subcontractors;
- (v) an increase in contract liabilities of MYR3,799,250, mainly due to advance receipts from customers;
- (vi) an increase in accrued liabilities and other payables of MYR8,028,897, mainly due to payables in relation to the purchase of marketable securities;
- (vii) payment of operating lease liabilities of MYR17,614; and
- (viii) an increase in income taxes payables of MYR3,658,661, mainly due to an increase in tax provisions.

For the year ended December 31, 2021, net cash generated from operating activities of MYR5,733,306 primarily resulted from our net income of MYR7,308,803 as adjusted for non-cash items and changes in operating activities. Adjustments for non-cash items primarily consisted of fair value gain on marketable securities of MYR4,654,322.

Changes in operating assets and liabilities mainly included:

- (i) an increase in accounts receivables of MYR4,594,130, mainly due to an increase in billings in line with the increase in revenue;
- (ii) an increase in contract assets of MYR909,111 mainly resulting from the increase of the unbilled revenue for revenue;
- (iii) an increase in deposits and other receivables of MYRMYR4,961,785, mainly due to increased advances to subcontractors;
- (iv) an increase in accounts payables of MYR7,525,575, mainly due to an increase in purchases towards the year end;
- (v) an increase in contract liabilities of MYR499,750, mainly due to billings exceeding the progress towards completion of revenue earner under the contracts;
- (vi) an increase in accrued liabilities and other payables of MYR3,092,954, mainly due to an increase in payables for consultant service fees and provision for income tax penalty;
- (vii) payment of operating lease liabilities of MYR22,180; and

(viii) an increase in income taxes payables of MYR2,425,572, mainly due to an increase in tax provisions during the year.

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### ***Investing Activities***

For the year ended December 31, 2023, net cash generated from investing activities was MYR15,327,956, which was primarily driven by net proceeds from marketable securities of MYR11,390,155, offset by deposits refunded for purchase of property of MYR4,500,000 and purchase of property and equipment of MYR562,199.

For the year ended December 31, 2022, net cash used in investing activities was MYR9,004,739, which was primarily driven by net investment in marketable securities of MYR4,444,202, and deposits paid for purchase of properties of MYR4,555,800.

For the year ended December 31, 2021, net cash used in investing activities was MYR5,050,189, which was driven by net investment in marketable securities.

### ***Financing Activities***

For the year ended December 31, 2023, net cash generated from financing activities was MYR2,534,630, which was primarily driven by as below:

- (1) Advance from a director, Darren Hoo Wei Sern amounted to RM50,188;
- (2) Amount due to a related party, Star Sprite Limited amounted to RM2,108,419; and
- (3) Proceeds from bank loan, Maybank Islamic Berhad amounted to RM390,600.

However, net cash generated from financial activities was mitigated by repayments of bank loan and fixed deposit placement amounted to RM2,487 and RM12,090 respectively.

For the year ended December 31, 2022, net cash used in financing activities was MYR982,983, which was driven by repayment to a director, Darren Hoo Wei Sern amounted to RM982,983.

For the year ended December 31, 2021, net cash generated from financing activities was MYR973,000, which was driven by advances from a director, Darren Hoo Wei Sern amounted to RM973,000.

### **Off Balance Sheet Arrangements**

As of December 31, 2021, 2022 and 2023, we had no off-balance sheet financing arrangements.

### **Contractual Commitments**

We lease property for the purpose of back-office operations for management personnel and business operation and leases equipment for the back-office operations. The future minimum lease payments under these non-cancellable operating leases are recognized as right-of-use assets and lease liabilities in the consolidated statement of financial position.

As of December 31, 2021, 2022 and 2023, we did not have any capital commitments.

### **Concentration of Credit Risk**

Credit risk is the potential financial loss to the Company resulting from the failure of a client or a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due. As the Company does not hold any collateral, the maximum exposure to credit risk is the carrying amounts of account receivables, deposits, contracts receivable, contract assets, and other receivables (exclude prepayments) and cash and bank deposits presented on the consolidated balance sheets. Other than above, the Company has no other financial assets which carry significant exposure to credit risk.

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of contracts receivable. The Company conducts credit evaluations of its clients, and generally does not require collateral or other security from them. The Company evaluates its collection experience and long outstanding



balances to determine the need for an allowance for expected credit losses. The Company conducts periodic reviews of the financial condition and payment practices of its clients to minimize collection risk on accounts receivable.

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The following table sets forth a summary of single customers whom represent 10% or more of the Company's total revenue:

	For the year ended December 31,						
	2021		2022		2023		
	MYR	% of revenue	MYR	% of revenue	MYR	USD	% of revenue
Amount of the Company's revenue							
Customer A	25,573,987	55.6%	7,313,884	10.1%	13,261,271	2,888,977	15.6%
Customer B	10,200,000	22.2%	*	—%	*	*	—%
Customer C	7,410,564	16.1%	32,388,843	44.8%	47,090,553	10,258,709	55.2%
Customer D	*	—%	18,324,850	25.3%	19,212,200	4,185,391	22.5%

\* Represents percentages less than 10%

The following table sets forth a summary of single customers whom represent 10% or more of the Company's total accounts receivable:

	For the year ended December 31,						
	2021		2022		2023		
	MYR	% of account receivable	MYR	% of account receivable	MYR	USD	% of account receivable
Amount of the Company's accounts receivable							
Customer A	8,264,940	77.9%	8,457,871	48.8%	*	*	*
Customer C	*	—	7,682,742	44.3%	18,791,450	4,093,730	92.2%
Customer E	1,752,250	16.5%	—	—%	—	—	—%

\* Represents percentages less than 10%

The following table sets forth a summary of suppliers that represent 10% or more of the Company's total purchases:

	For the year ended December 31,						
	2021		2022		2023		
	MYR	% of cost of revenue	MYR	% of cost of revenue	MYR	USD	% of cost of revenue
Amount of the Company's purchases:							
Supplier A	19,769,275	54.8%	*	—%	*	*	—%
Supplier B**	8,890,750	24.6%	21,159,286	36.6%	15,329,495	3,339,541	21.6%

Supplier C	—	—	23,307,322	40.3%	48,937,982	10,661,173	69.0%
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\* Represents percentages less than 10%  
\*\* Related party — VC Marine Sdn. Bhd.

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The following table sets forth a summary of single suppliers whom represent 10% or more of the Company's total payable:

	For the year ended December 31,						
	2021		2022		2023		
	MYR	% of accounts payable	MYR	% of accounts payable	MYR	USD	% of accounts payable
Amount of the Company's accounts payable:							
Supplier A	7,091,275	82.6%	975,000	26.8%	720,000	156,852	41.1%
Supplier B	—	—	—	—	739,879	161,183	42.2%
Supplier C	—	—	2,357,762	64.7%	—	—	—
Supplier D	—	—	—	—	215,000	46,838	12.3%

## BUSINESS

### Overview

We are a company principally engaged in the development, construction and maintenance of aquaculture farms and related works. Our operations are based in Malaysia. Since the inception of our operating company in 2020, we have strived to establish ourselves as a trusted and experienced provider of shrimp farm related maintenance services in Malaysia. As of the date of this prospectus, we have been carrying out a series of upgrading and maintenance works for aquaculture farms, all of which are located in Tawau, Sabah, Malaysia. This constitutes 71.8%, 43.7% and 15.5% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively. Besides that, we also carried out upgrading works for a pineapple plantation farm located at Kota Tinggi, Johor, Malaysia. This constituted nil, 25.3% and 22.6% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively.

Complementary to our upgrading and maintenance services, we also assist customers with the design and development of new farms. As of the date of this prospectus, we are currently involved in the development and construction of a shrimp hatchery center in Semporna, Sabah, Malaysia, where we have been engaged to undertake the construction of hatchery buildings and related functional facilities. We are also assisting in the development of a 111-acre shrimp farm at Tawau, Sabah, Malaysia. This comprised 22.2%, 16.4% and 61.7% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively. From time to time, we also assist our customers in sourcing for building materials and machineries available for rental for use on their farms. This comprised 6.0%, 14.6% and 0.2% of our revenue for the financial years ended December 31, 2021, 2022 and 2023, respectively.

With our wide suite of services and diverse revenue streams, we are well-positioned to serve customers as a one-stop center for their aquaculture and agriculture needs.

### Our Services

Once we have received a project from a customer, we collaborate with trusted subcontractors who provide the manpower and equipment to execute the necessary upgrading, maintenance, and construction tasks on an as needed basis, all while maintaining a hands-on approach to oversee every aspect of the process. Due to the labor intensity and complexity of some of these projects, we may on occasion engage several subcontractors to work on the same project.

#### *Upgrading and maintenance of aquaculture and agriculture farms*

We offer comprehensive upgrading and maintenance solutions tailored to the needs of our valued farm customers. To date, we have provided these services for aquaculture farms focused on shrimp production as well as for an agricultural farm for the production of pineapples.

We generate revenue from charging customers a project-based fee through progress claims, usually on a monthly basis. Once we have submitted our progress claim to the customers, a site visit will be arranged to verify that the on-site progress matches the progress claim. Once verified, customers will proceed with the payment arrangement. We charge our customers based on an all-in rate that includes the cost from subcontractors, as well as the on-cost mark-up for our profit.

The graphics depicted throughout this section represents the actual images of our systems and products.

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**(a) Aquaculture**

With regards to aquaculture, we particularly focus on providing upgrading and maintenance works to shrimp farms. The following areas are our main priorities when it comes to maintenance:

**(i) Pond Maintenance.**



Maintaining the cleanliness of pond bottoms after harvests is critical to prevent the accumulation of organic residues that may contain bacteria or viruses that could negatively impact shrimp cultivation in aquaculture operations. We and our subcontractors regularly inspect and maintain our customer's shrimp ponds to ensure the ponds are in optimum condition for farming. We scrape our clients' pond bottoms thoroughly after cultivation cycles to remove accumulated sediments and organic matter, and stabilize pond banks to prevent erosion.

**(ii) Aeration and Circulation Systems.**



Proper aeration and circulation systems are essential for maintaining water quality and oxygen levels in shrimp ponds. Our customers use paddlewheels and other aeration equipment to ensure the ponds are well-aerated and that oxygen levels are optimum for shrimp survival. As part of our upgrading and maintenance work, we regularly check and maintain the aeration equipment and replace it as necessary. The condition of electrical cables and control panels are also checked regularly for damages, and parts replacements are made as needed.

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### (iii) Seawater Intake, Distribution, and Discharge Systems.



**Seawater Intake system**

Our customer's shrimp farms use various water treatment systems to maintain water quality, such as sedimentation ponds, mechanical filters, or biological treatments. Farm infrastructure (such as the Seawater Intake System shown above) requires regular maintenance to ensure that all the infrastructures are in optimum operating condition to prevent any negative impacts on the shrimp or the environment. We also regularly inspect and maintain the water intake, distribution, and discharge systems to ensure proper flow and prevent any blockages or damage. Our company also conducts routine water quality testing to monitor and maintain optimal water conditions for our customers' farms.

### (b) Agriculture farms

As of the date of this prospectus, our area of expertise and focus in agricultural farms resides with pineapple farms, which involves soil preparation and ploughing. Soil preparation is critical for pineapple farming, as it ensures that the soil is adequately prepared for the growth and development of the pineapple plants. Soil preparation involves ploughing process which helps control weeds by burying weed seeds and disrupting weed growth. This can reduce competition for nutrients and water and improve yield. Moreover, ploughing helps to incorporate fertilizer into the soil, making nutrients more readily available to the pineapple plants. This can improve plant growth and yield. Finally, ploughing can also help prevent soil erosion by creating ridges and furrows that can hold water and prevent runoff. This can reduce soil erosion and loss of topsoil, which is important for maintaining soil fertility and crop productivity.

For the financial years ended December 31, 2021, 2022 and 2023, the upgrading and maintenance services segment generated approximately RM33.0 million (approximately US\$7.9 million), RM49.9 million (approximately US\$11.3 million) and RM32.5 million (approximately US\$7.1 million), which constituted approximately 71.8%, 69.0% and 38.1% of our total revenue respectively. Upgrading and maintenance services has been and will continue to be a growth area for us, as we believe that our customers will become increasingly reliant on our expertise in maintenance and upgrading to manage their farming efficiently.

#### *Design and development of new aquaculture and agriculture farms*

We offer a range of services to help our customers design and develop their new aquaculture and agriculture farms. We consider a range of factors to ensure optimal production efficiency, environmental sustainability, and profitability. We aim to work closely with our customers to develop customized designs that meet their specific needs and goals and help them maximize the success and sustainability of their farms. As of the date of this prospectus, we have only been involved in the development of 1 aquaculture farm and 1 shrimp hatchery center.

We generate revenue from charging customers project-based Fee through progress claims, usually on a monthly basis. Once we have submitted our progress claim to the customers, site visit will be arranged to verify that the

on-site progress matches the progress claim. Once verified, customers will proceed for payment arrangement. We charge our customers based on an all-in rate that includes the cost from subcontractors, as well as the on-cost mark-up for our profit.



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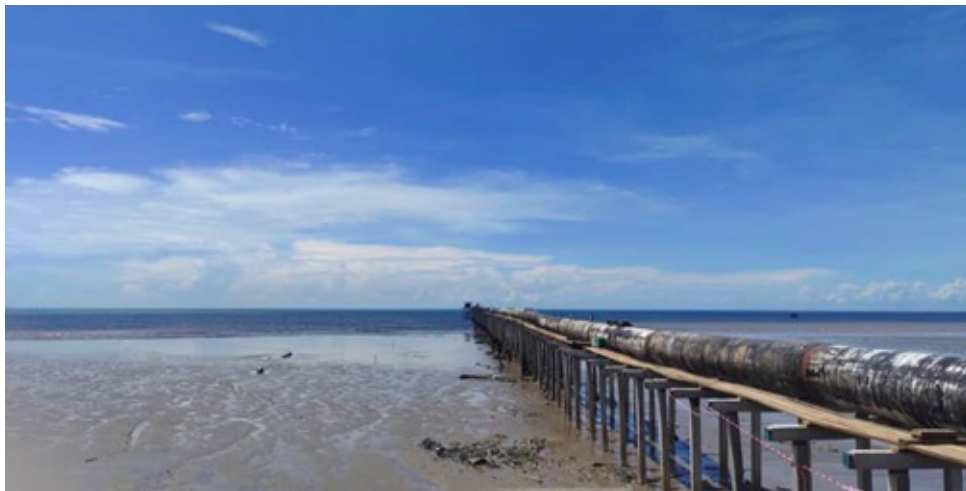
We begin by conducting a comprehensive assessment of our customers' needs and goals. This involves gathering information on factors such as the type of crops or aquatic animals to be raised, the available resources, and the regulatory requirements. We use this information to develop a customized design that meets our customers' specific needs and goals.

### **(a) Site Selection.**



Site selection is critical, and we assist our customers in carefully evaluating factors such as climate, soil type, topography, water availability, and accessibility when selecting a site. We ensure that the site selected by our customers is located away from sources of pollution and potential hazards to minimize environmental impacts and to comply with regulatory requirements. Additionally, we take into account factors such as (i) water intake point, (ii) alignment of the discharge water to be released, and (iii) the land contour.

### **(b) Infrastructure Design**



We carefully select the seawater intake point by assessing critical water parameters such as salinity, pH and turbidity as well as water depth and tidal movements.

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By implementing a well-designed water filtration and treatment system, we can optimize the quality of the water source to ensure that it meets the necessary standards for our aquaculture purposes.

As of the date of this prospectus, we are currently involved in the development and construction of an Integrated Shrimp Farm in Tawau, Sabah, Malaysia. This 111-acre project consists of a 99-pond shrimp farm and a processing factory.

For the financial years ended December 31, 2021, 2022 and 2023, the design and development business segment generated approximately RM10.2 million (approximately US\$2.4 million), RM11.8 million (approximately US\$2.7 million) and RM52.6 million (approximately US\$11.5 million), which constitutes approximately 22.2%, 16.4% and 61.7% of our total revenue respectively.

### *Sourcing of industrial supplies and rental of machinery*

From time to time, we will receive requests from customers to source for building materials and machinery (such as excavators, cranes, and backhoe) available for rental for use on their project sites. We work closely with a network of trusted suppliers and vendors to source high-quality building materials and machinery that meet the specific needs of our customers. Specifically, we will first review the customer's requirement on the product specifications and then make requests to our qualified suppliers and vendors to provide a price quote as well as product samples for our further evaluation. In the event if we are unable to source for the actual specifications required by the customer, we will propose products with equivalent specifications to customers for their evaluation. We understand that each project is unique, and we take the time to understand the specific requirements of each customer and project to ensure that we are sourcing the right equipment and materials. In sourcing the equipment and materials, we take into consideration factors such as cost, delivery time, and availability to provide our customers with an arrangement that meets their budget and timeline requirements.

We generate revenue from issuance of invoices to customers, and once customers have signed the delivery order as a proof of goods well received in order, they will proceed for payment arrangement in accordance with the payment terms agreed. We charge our customers based on an all-in rate that includes the material cost and delivery cost from suppliers, as well as the on-cost mark-up for our profit.

For the financial years ended 2021, 2022 and 2023, the sourcing of industrial supplies and rental of machinery segment generated approximately RM2.8 million (approximately US\$0.7 million), RM10.6 million (approximately US\$2.4 million) and RM0.2 million (approximately US\$0.04 million), which constitutes approximately 6.0%, 14.6% and 0.2% of our total revenue respectively.

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### **Material agreements with customers**

As of the date of this prospectus, we have entered into the following material contracts with the respective customers and their projects:

#### *Wakuba New Prawn Farm Development with North Cube Sdn Bhd (Integrated Shrimp Farm)*

##### *(i) New Shrimp Farm Development Contract dated June 30, 2022*

We were engaged to undertake the development of a prawn farm located at Kampung Wakuba, Tawau, Sabah (“**Integrated Shrimp Farm**”). The construction works include basic infrastructure works, main electrical works, building works, shrimp ponds, and processing factory as well as compliance works with regulatory requirements. The engagement fee for our services is RM106,746,450.00 and the contract is currently ongoing.

The material terms of the contract are as follows:

- i. There is no deposit requirement.
- ii. The upgrading works are carried out in accordance with the following scope of works as set out in the contract which are also the project milestones to be achieved:
  - the construction and installation of basic infrastructure works;
  - the installation of main electrical works;
  - the construction of building works such as earthwork, road and drainage works, building structural works and electrical works;
  - the construction of shrimp ponds;
  - the construction of a processing factory; and
  - conduct of compliance works with regulatory requirements such as obtaining development orders etc.
- iii. Our fees are invoiced to the customer on a monthly basis based on work done.
- iv. Our customer is given a one-month credit term for the payment of our invoices.
- v. The upgrading works are to be completed within 18 months from the date of the contract, i.e. until December 29, 2023. The contract has been mutually extended by the parties until 31 December 2024.
- vi. As of the date of this prospectus, we have received RM59,210,000.00 from our customer.

#### *Material Agreements with Suppliers*

As of the date of this prospectus, MMSB has entered into the followings with the respective sub-contractors to undertake certain works in connection with the following projects MMSB were involved in:

##### *(a) Wakuba New Prawn Farm Development with North Cube Sdn Bhd (Integrated Shrimp Farm)*

###### *(i) Letter of Award dated April 28, 2023 with Pelican Prospect Sdn Bhd*

We engaged Pelican Prospect Sdn Bhd as a sub-contractor to undertake works such as shrimp pond earthwork, construction of a processing factory, basic infrastructure works such as construction of water reservoir, installation of water inlet system and fencing works, and compliance with regulatory requirements such as the Environmental Impact Assessment study and building approval at the Integrated Shrimp Farm for the contract sum of RM39,385,000.00. The contract is currently ongoing. This Letter of Award is connected to the New Shrimp Farm Development Contract dated June 30, 2022 entered into with North Cube Sdn Bhd as detailed above.



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The material terms of the contract are as follows:

- i. The contract is subject to the terms and conditions contained in the tender documents submitted by the subcontractor to us and shall form as part of the contract.
- ii. The scope of works is as described in the submitted tender documents and shall include the provision for transportation, preparation works, and all other works deemed necessary for the full completion of the works.
- iii. The works to be conducted by the sub-contractor are as follows:
  - shrimp pond earth work;
  - construction of a processing factory;
  - basic infrastructure works such as:
    - installation of a water inlet system;
    - construction of a water reservoir;
    - fencing work;
  - compliance with regulatory requirements such as:
    - Environmental Impact Assessment study;
    - building approval.
- iv. The contract is a firm-priced contract and the contract sum is not subject to any fluctuation and cost increase for whatsoever reason other than variation instructed by us.
- v. The fees of the sub-contractor are invoiced to us on a monthly basis based on work done.
- vi. We are given a one-month credit term to pay the invoices received by us.
- vii. The total contract period is from May 1, 2023 until December 31, 2023 (which has been extended to 31 December 2024).
- viii. As of the date of this prospectus, we have paid RM34,332,256.00 to our supplier.

(ii) *Letter of Award dated April 28, 2024 with Kheng Builders Sdn Bhd*

We engaged Kheng Builders Sdn Bhd as a sub-contractor to undertake building works such as main feed store, sub feed store, workshop, guardhouse, farm office, canteen, and workers' quarters at the Integrated Shrimp Farm for the contract sum of RM3,459,000.00. The contract is currently ongoing. This Letter of Award is connected to the New Shrimp Farm Development Contract dated June 30, 2022 entered into with North Cube Sdn Bhd as detailed above.

The material terms of the contract are as follows:

- i. The contract is subject to the terms and conditions contained in the tender documents submitted by the subcontractor to us and shall form as part of the contract.
- ii. The scope of works is as described in the submitted tender documents and shall include the provision for transportation, preparation works, and all other works deemed necessary for the full completion of the works.
- iii. The works to be conducted by the sub-contractor are as follows:
  - Building works;
  - Main feed store;

- Sub feed store;

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- workshop;
  - guardhouse;
  - farm office;
  - canteen;
  - workers' quarters.
- iv. The contract is a firm-priced contract and the contract sum is not subject to any fluctuation and cost increase for whatsoever reason other than variation instructed by us.
- v. The fees of the sub-contractor are invoiced to us on a monthly basis based on work done.
- vi. We are given a one-month credit term to pay the invoices received by us.
- vii. The total contract period is from May 1, 2023 until December 31, 2023 (which has been extended to 31 December 2024).
- viii. As of the date of this prospectus, we have paid RM2,611,397.90 to our supplier.

### *(iii) Letter of Award dated April 28, 2024 with Sea Sanctuary Sdn Bhd*

We engaged Sea Sanctuary Sdn Bhd as a sub-contractor to undertake electrical works such as construction of a sub station and gen set room and cabling works, as well as installation of electrical works for shrimp ponds at the Integrated Shrimp Farm for the contract sum of RM5,570,000.00. The contract is currently ongoing. This Letter of Award is connected to the New Shrimp Farm Development Contract dated June 30, 2022 entered into with North Cube Sdn Bhd as detailed above.

The material terms of the contract are as follows:

- i. The contract is subject to the terms and conditions contained in the tender documents submitted by the subcontractor to us and shall form as part of the contract.
- ii. The scope of works is as described in the submitted tender documents and shall include the provision for transportation, preparation works, and all other works deemed necessary for the full completion of the works.
- iii. The works to be conducted by the sub-contractor are as follows:
- main electrical works;
  - sub station and gen set room;
  - cabling works;
  - shrimp ponds;
  - electrical works.
- iv. The contract is a firm-priced contract and the contract sum is not subject to any fluctuation and cost increase for whatsoever reason other than variation instructed by us.
- v. The fees of the sub-contractor are invoiced to us on a monthly basis based on work done.
- vi. We are given a one-month credit term to pay the invoices received by us.
- vii. The total contract period is from May 1, 2023 until December 31, 2023 (which has been extended to 31 December 2024).
- viii. As of the date of this prospectus, we have paid RM3,334,100.00 to our supplier.





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### **Subcontractor Process Flow**

For each project we are engaged for, we invite various sub-contractors to submit their tenders to participate in the relevant projects or part thereof. Once tenders are received, we will evaluate on the suitability of the sub-contractor for the said project based on our criteria such as, amongst others, pricing, delivery period, payment terms, and the prospective subcontractor's ability to provide the necessary materials required for the project. Once the sub-contractor is identified, a letter of award will be issued by us to the sub-contractor specifying the scope of the works required to be undertaken, the milestones to be achieved and the contract sum.

In general, ground works are undertaken by the sub-contractors whereas we primarily focus on project management. We rely on sub-contractors in order to minimize our need to tackle issues relating to man-management of workers. Instead, matters relating to the man-management of workers are dealt with by the subcontractors, and this allows us to focus our attention to the execution of the projects and its progress. To ensure that the prices paid to the related party subcontractors are market prices, all our subcontractors undergo a fair tender process for the projects involved before we engage them.

### **Competition**

The market for aquaculture projects and services is highly competitive. Many of the producers and sellers are large entities that have significantly greater resources than we have. We also compete with small suppliers but due to the size of our projects, we believe that we are able to offer better pricing to our customers.

We believe we are strategically placed to compete based on the following factors: (i) proactive approach to cost-effective solutions for aquaculture farm development and maintenance, (ii) strong customer and supplier relationships, and (iii) an experienced management team. For further details, please refer to the section titled "*Business — Our Competitive Strengths*".

### **Our Competitive Strengths**

We believe that the following competitive strengths have contributed to our success and differentiated us from our competitors:

- **Cost effective solutions.** We provide cost-effective solutions for aquaculture farm development, construction, and maintenance by actively visiting customers to understand the latest progress of their operations and the issues that they are facing. Leveraging our expertise, we carefully scrutinize customers' requests to optimize the efficiency of their farm infrastructure. We believe that this enables our customers to achieve greater success in the aquaculture and agriculture sectors by improving their output.
- **Strong Customer Relationship Built Through Experience & Knowledge.** Based on our technical know-how and experience, we are able to discuss in depth with customers on the technical issues that occurred, pinpoint root cause of issues, and propose to them on the infrastructure modification or upgrades that will contribute to overall farm improvement that will overcome the issues faced by the customers.
- **Expertise of management team.** We take pride in the expertise of our management team, guided by Mr. Darren Hoo, our Chairman and CEO. With extensive experience in the aquaculture and agriculture industries in Malaysia, Mr. Darren Hoo has played an important role in driving our growth. He leads our business strategies and fosters strong customer relationships. Thanks to his leadership, we have been able to leverage our knowledge to provide services that cater to our customers' unique needs. We value our customers and maintain close partnerships, enabling us to gain a deep understanding of their farm operations. Drawing on our technical know-how and experience, we engage in meaningful discussions with customers, carefully diagnosing technical issues and identifying their root causes. Subsequently, we propose infrastructure modifications or upgrades that aim to enhance overall farm performance, addressing the challenges faced by our customers.



## Our Growth Strategy

We intend to develop our business and strengthen our customer base, by implementing the following strategies:

- **Market Development:** We are actively researching potential clients to expand our customer beyond Malaysia, as well as tapping into international markets, starting from neighboring countries such as Indonesia. By leveraging our reputation and established customer portfolio, we aim to build new relationships and penetrate new markets. This market development strategy will allow us to tap into new revenue streams and increase our market share, driving our continued success in the industry.
- **Strategic Growth Initiatives:** As our customer base expands, we have the opportunity to identify potential partners for further business development. We propose equity participation in the entities of suitable clients, which would allow us to build a recurring revenue stream and potentially become one of our main sources of income. By forming strategic business partnerships, we can create a mutually beneficial relationship that drives our continued growth and success in the industry.
- **Development of Smart Farming System:** We intend to develop our own proprietary Smart Farming System, and we hope to establish a pilot scale project utilizing our Smart Farming System by the fourth quarter of 2024. Our Smart Farming System will offer several benefits including (a) water quality monitoring, (b) feeding optimization, (c) disease prevention, (d) environmental monitoring and (e) data analytics. Overall, the hardware development for our Smart Farming System will require a combination of sensors, actuators, cameras, control systems, connectivity, and power supply, all working together to optimize yields, improve resource efficiency, and promote sustainable farming practices. Our Chief Executive Officer, Mr. Darren Hoo has a degree in Biotechnology and has obtained vast experience in aquaculture and Electrical and Instrumentation engineering (E&I). Leveraging on his vast skills and experience, Mr. Darren Hoo is spearheading our venture into the development of our own proprietary Smart Farming System. With our Smart Farming System, we are poised to become a full-service aquaculture consulting company in 2025, with the provision of expert consulting and project management services being added to our business portfolio. We believe that, once developed, our Smart Farming System will be a key driver of our business growth, offering an effective tool for digital transformation in the aquaculture and agriculture industry. There are currently not many providing smart farming systems in Malaysia and neighboring countries. Hence, our solution addresses the market's demand for modernization. By leveraging modern technology, we hope to help our customers optimize their aquaculture and agriculture farms for maximum yield and profitability. Our system will closely monitor the operating parameters of each pond and alert customers to any irregularities, enabling them to take corrective action and improve yield. In addition, the system captures a wealth of data that customers can use to analyze operational costs, estimate yields, and make informed decisions about their farms' financial performance. Ultimately, we hope that our Smart Farming System will allow us to offer customers a more comprehensive and effective solution for their aquaculture and agriculture needs. Promoting the adoption of Smart Farming Systems will require a multi-faceted approach:
  - (a) **Demonstrating the benefits:** By showcasing the benefits of increased productivity, reduced costs, improved resource efficiency, and enhanced sustainability, we can motivate customers to adopt our Smart Farming System. Our existing customers have expressed interest in becoming pioneers of our Smart Farming System, allowing us to demonstrate its value to other potential customers.
  - (b) **Providing training and support:** Our Smart Farming System will require specialized knowledge and skills. We plan to offer workshops, training programs, and online resources to help customers understand how to effectively use the system and maximize its benefits.
  - (c) **Creating policies and incentives:** We plan to collaborate with the Ministry of Agriculture Malaysia to promote modernization in agriculture, including our Smart Farming System, through tax incentives, subsidies, and research grants.



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- (d) Collaborating with industry partners: We plan to partner with technology providers and financial institutions to help develop and implement new technologies, provide financing for customers, and share best practices and knowledge.
- (e) Developing networks and communities: We plan to create networks and communities of industry stakeholders to provide opportunities for collaboration, support, and information sharing, building a sense of community among farmers.
- (f) By adopting these strategies, we believe we can accelerate our adoption of smart farming technologies and help create more sustainable and productive aquaculture and agricultural sectors in Malaysia.

## **Marketing and Sales**

We do not have a separate marketing and sales department. One of our key channels for marketing is through word of mouth as our new customers are usually referred by our existing customers or business contacts. Our Chairman and Chief Executive Officer, Mr. Darren Hoo, has long-standing relationships with some of our major customers, due to Mr. Darren Hoo's business connections and rapport built with customers and draws on his personal knowledge and experience to generate sales for our Group.

Mr. Darren Hoo is also responsible for establishing and maintaining our customer relationships and securing orders from customers. He also communicates with our existing customers to understand their needs and market trends, so as to improve our product range. Through these regular contacts, our customers provide us with valuable feedback on industry trends and developments as well as their requirements. Mr. Darren Hoo also updates customers on our services such as information on new equipment or technology available in the market and their capabilities. He places strong emphasis on understanding the requirements of our customers and consistently providing them with tailored solutions to meet the particular needs of their farms. We consider customer feedback a valuable tool for improving our products and services. Mr. Darren Hoo is also responsible for handling customers' complaints and any complaints arising from service quality.

## **Seasonality**

We have not observed any significant seasonal trends. Our management believes that there is no apparent seasonality factor affecting the industry in which we operate due to the geographical location of the farms and the tropical climate enjoyed in Malaysia which enables year round operations.

## **Intellectual Property**

We have not registered any intellectual property rights. We were not involved in any proceedings with regard to, and we have not received notice of any claims of infringement of, any intellectual property rights that may be threatened or pending, in which we may be involved either as a claimant or respondent.

## **Employees**

As of the date of this prospectus, we have four full-time employees, all of whom are based at our headquarters in Malaysia. The following table sets forth the number of our employees categorized by function as of the date of this prospectus. We have no part-time employees.

<b>Function</b>	<b>Number of Employees</b>
Chief Executive Officer	1
Chief Financial Officer	1
Account Executive	1
Admin Assistant	1

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**Total****4**

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65

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Our success depends on our ability to attract, motivate, train and retain qualified personnel. We believe we offer our employees competitive compensation packages and an environment that encourages in-house development. As a result, we have generally been able to attract and retain qualified personnel and maintain a stable core management team.

In the course of most of our engagements, we also rely extensively on the help from subcontractors to assist in our work, especially for services such as the maintenance of existing shrimp farms of our clients and the construction of new shrimp hatcheries.

To the best of our knowledge, we are compliant with local prevailing wage and contractor licensing and have good relations with our employees. As we are expanding our business, we intend to hire additional staffs and engage consultants on an as-needed basis. We may also engage experts to advise us in various capacities.

### **Facilities**

We are headquartered in Malaysia and operate in a corporate office located at B-01-07, Gateway Corporate Suites, Gateway Kiaramas, No.1, Jalan Desa Kiara, 50480 Mont Kiara, Kuala Lumpur, Malaysia. Our corporate office consists of approximately 1,195 square feet, which is our own asset. We believe that our existing office is generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth. Should we need additional space, we believe we will be able to obtain additional space on commercially reasonable terms.

### **Insurance**

We currently only maintain a life insurance policy effected in favor of Mr. Darren Hoo as well as a property insurance policy covering our corporate headquarters at B-01-07, Gateway Corporate Suites, Gateway Kiaramas, No.1, Jalan Desa Kiara, 50480 Mont Kiara, Kuala Lumpur, Malaysia. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustments to our insurance practices to align with our needs and with industry practice in Malaysia and in the market in which we operate.

### **Legal Proceedings**

From time to time, we may become a party to various legal, arbitral or administrative proceedings or claims arising in the ordinary course of our business. Any of the pending lawsuits against us, or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention.

There are currently no material legal proceedings against us or that have been against us, and we are not aware of investigations being conducted by a governmental entity into our company.

## INDUSTRY

*All the information and data presented in this section have been derived from Protégé Associates Sdn Bhd (“Protégé Associates”)’s industry report commissioned by us entitled “Independent Market Research Report on the Agriculture Industry in Malaysia” (the “Protégé Associates Report”) unless otherwise noted. Protégé Associates has advised us that the statistical and graphical information contained herein is drawn from its database and other sources. The following discussion contains projections for future growth, which may not occur at the rates that are projected or at all.*

### Overview of the Agriculture Industry in Malaysia

Malaysia is a country rich in natural resources such as oil and gas, timber and other forest products, palm oil, and rubber. The country’s tropical climate and vast land resources make it well-suited for agriculture development. Agriculture refers to the activities of growing crops and rearing animals to provide food and other products. It can be divided into 4 different sub-sectors namely, crops, fisheries (including fishing and aquaculture), forestry and logging and livestock. The agriculture industry in Malaysia contributed approximately RM100.81 billion or 6.4% of the nation’s GDP in 2023. This was a slight increase of 0.7% from RM100.08 billion in 2022 as a result of higher oil palm output and the livestock subsector. Of the RM100.81 billion contributed by the agricultural sector to Malaysia’s GDP in 2023, fruit crops contributed RM5.60 billion while aquaculture contributed RM4.30 billion.

Malaysia produces and exports selected products such as palm oil and other palm oil-based products and rubber, however, the country remains an importer of commodities such as maize, wheat, and rice. Malaysia still faces challenges in terms of food security and has relied on imports to meet the local demand. Malaysia’s imported RM78.79 billion worth of food compared to RM46.47 billion worth of food exports in 2023. Food products such as onions, dairy products, coffee, wheat flour, tea, shallots, potatoes, and cooking oil are among the imported items.

According to the Global Food Security Index (“GFSI”) published by The Economist, Malaysia ranked 41<sup>st</sup> globally among 113 countries, with a heavy reliance on imports for essential food products. To tackle the food security issue, the Malaysian Government (“Government”) is focusing on the 4 pillars outlined by the Food and Agricultural Organisation, namely availability, accessibility, utilization, and stability in line with the National Food Security Policy Action 2021 – 2025 and the National Agro-Food Policy 2021 – 2030. The National Food Security Policy Action 2021 – 2025 aims to strengthen the country’s food supply chain from agricultural inputs to food waste, ensuring the country’s food system remains intact at all times. On the other hand, the National Agro-Food Policy 2021 – 2030 emphasizes the importance of modernization and digitization of farming with the adoption of smart farming technologies. The Malaysian Government plans to increase the use of automation and technology in the agro-food industry, and to ramp up research and innovation activities to modernize agro-technology. These key measures will likely assist the Government’s effort in bolstering food production and is expected to further strengthen the food value chain and reduce Malaysia’s reliance on imported food items.

MHL is involved in the development, construction and maintenance of aquaculture and pineapple farms and related works, including implementation of smart farming technologies. In terms of pineapple farming, MHL has undertaken works on a pineapple farm. As such, for the purposes of this report, the overview of the agriculture sector will only focus on pineapples.

Pineapples, which is amongst the top 3 fruits produced in Malaysia, are cultivated in the open as field and garden crops and are used typically for food. There are several types of pineapple cultivated in Malaysia, including the Josaphine, MD2, Morris, and N36 cultivants. In 2023, there was approximately 17,805 hectares of planted area for pineapple compared to 17,803 hectares in the previous year. The production of pineapple had increased in 2023 to approximately 553,348 tonnes compared to 537,231 tonnes in 2022. The states of Johor, Pahang, and Sarawak are the top 3 producers of pineapple in Malaysia.



## Overview of Shrimp and Prawn Aquaculture

Aquaculture involves the cultivation of selected living organisms in freshwater and brackish water environments, as well as the cultivation of seaweed on a commercial scale under controlled conditions. Commonly, aquaculture can be conducted in completely artificial facilities built onshore, as in the case of fish tanks, ponds, aquaponics, or raceways, whereby the living conditions are subjected to human control such as the water quality, feed, and temperature. Alternatively, aquaculture can also be conducted on shallow waters nearshore of a body of water, which therefore allows the cultivated species to be subjected to a more naturalistic environment. In Malaysia, the aquaculture industry has developed quickly since its beginning in the 1920's and is regarded as an important way of increasing local production for food security. The Malaysian Government playing an active role to encourage fishermen to venture into this sector to fulfil the needs arising from the increasing demand for marine products. The aquaculture sector contributed approximately RM4.30 billion or 0.3% to the country's GDP in 2023.

MHL is involved in the development, construction and maintenance of aquaculture and agriculture farms and related works, including implementation of smart farming technologies. In terms of aquaculture, MHL has undertaken works on a shrimp aquaculture farm. As such, for the purposes of this report, the overview of the agriculture sector will focus on shrimp and prawns.

Shrimp and prawn aquaculture is undertaken in brackish water, which is water that is saltier than normal freshwater, but less salty than seawater. Aquaculture production from brackish water recorded an increase of 13.2% from 132,396 tonnes in 2021 to 149,849 tonnes in 2022. Similarly, the value of aquaculture produced in brackish water increased by 10.8% from RM2.52 billion in 2021 to RM2.79 billion in 2022.

Figure 9: Production Figures of Selected Brackish Water Species in Malaysia, 2021-2022

Type of Brackish Water Species	Production (tons)	
	2021	2022
White Shrimp	38,377	39,558
Tiger Prawn	18,120	15,330

*Source: DOF*

## The Role of IOT in the Agriculture Industry In Malaysia

The internet of things ("IOT") refers to a network of physical objects that are linked together to a system that serves to collect and exchange data. It is a form of information technology ("IT") that is expected to drive digital connectivity and industrial development related to the Fourth Industrial Revolution ("4IR"). Connected by the Internet, physical objects ranging from everyday household objects to complex industrial tools are able to collect and transmit data through multiple methods such as radiofrequency identification ("RFID"), infrared sensors, and quick response ("QR") codes, thus enabling smarter identification, location sensing, tracking, and monitoring. While physical infrastructure has traditionally been separated from IT infrastructure, IOT has enabled connectivity between the two and allowed both physical and IT infrastructure to function as a single unit. The emergence and growth of IOT has led to the development of wearable technology, smart homes and smart cities, as well as smart farming. IOT can help businesses improve their productivity and efficiency by automating tasks, collecting data in real time, and analyzing said data to provide insights for better decision-making. IOT can also help to reduce costs as a result of improved productivity and automation of tasks.

With developments in technology, farming has developed from manual farming to farming with machinery to further use of technologies leading to smart farming. Smart farming is an emerging concept of farming management that utilizes modern technologies such as IOT to improve the quantity and quality of agricultural products whilst minimizing environmental impact and reducing the use of resources. Sensors can be placed in the ground or in water to collect data such as soil moisture, air temperature, or water pH levels. Software can be used to analyze the collected data and provide farmers with recommendations on improving processes. Due to the connectivity to IOT, farmers are then able to access the data and software at their own convenience. Automation also allows farmers to automatically water plants or dispense feed in ponds, thus optimizing management of plants and animals and leading to greater efficiency.

The adoption of smart farming in the agriculture and aquaculture industries in Malaysia has been relatively slow due to the perception that technologies such as IoT and artificial intelligence (“AI”) are expensive and not viable for the industries. Nevertheless, inroads have been made to increase the adoption of smart farming in the agriculture

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and aquaculture industries in Malaysia. Singularity Aerotech Asia Sdn Bhd had developed the SM4RT TANITM platform which utilizes IOT and cloud-based solutions to provide Malaysian farmers with digital tools to monitor soil, weather, and water conditions in real-time. FGV Integrated Farming Holdings Sdn Bhd, a subsidiary of FGV Holdings Berhad which is a company listed on the Main Market of Bursa Malaysia, has utilized technology such as automated transplanting machines to plant rice paddy as well as drones to map farming areas and monitor crop health. Similarly, Wavetree Technologies Sdn Bhd, a subsidiary of Techna-X Berhad which is a company listed on the Main Market of Bursa Malaysia, is involved in the provision of IOT solutions such as environmental monitoring, water quality sensing, and health monitoring in aquaculture.

Various stakeholders, including the Malaysian Government, private sector companies involved in the agricultural sector and farmers have acknowledge the key benefits that comes with the adoption of smart farming technologies. Like many countries, Malaysia relies on imports for food products. Some of the challenges faced by the agriculture industry include labor shortages, lack of automation and technology adoption, as well as a dependence on foreign labor. The Government hopes that the use of smart farming technologies will become more widespread and help to solve food security issues.

The Malaysia Digital Economy Corporation (“MDEC”), Malaysia’s lead agency in digital transformation has rolled out “eLadang”, a digital agriculture technology (“AgTech”) initiative whereby the MDEC collaborates with players in the agriculture industry to infuse 4IR technologies to increase productivity, quality, and revenue while reducing operational and manpower costs. The “eLadang” initiative also aims to transform the agriculture industry to a high-skilled, digitally empowered, and data driven industry to further boost Malaysia’s digital economy. In the same vein, the Ministry of Agriculture and Food Security (“MAFS”) has proposed for training institutes to develop skilled agricultural workers. The youth have been identified as a main group that is open to accepting modern and smart farming technologies in line with the 4IR.

By adopting smart farming technologies, Malaysia can improve the efficiency, sustainability, and productivity of its agriculture sector, helping to achieve food security for the country.

### **Historical Market Performance and Growth Forecast**

Protégé Associates has provided the historical performance and growth forecast of pineapple farming in Malaysia based on a combination of resources including data from the DOSM and the DOA.

Figure 13: Historical Size and Growth Forecast for Pineapple Farming in Malaysia, 2020-2027

<b>Year</b>	<b>Production (tonnes)</b>	<b>Annual Growth (%)</b>
2020	323,420	
2021	375,423	16.1
2022	537,231	43.1
2023 <sup>e</sup>	553,348	3.0
2024 <sup>f</sup>	597,616	8.0
2025 <sup>f</sup>	648,413	8.5
2026 <sup>f</sup>	704,177	8.6
2027 <sup>f</sup>	764,736	8.6

Notes:

- 1) *e* denotes estimate, *f* denotes forecast
- 2) Compound annual growth rate (“CAGR”) (2023-2027) = 8.4%

Source: Protégé Associates

Protégé Associates has provided the historical performance and growth forecast of shrimp and prawn aquaculture in Malaysia based on a combination of resources including data from the DOSM and the DOF.



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Figure 14: Historical Size and Growth Forecast for Shrimp and Prawn Aquaculture in Malaysia, 2020-2027

Year	Production (tonnes)	Annual Growth (%)
2020	48,674	—
2021	56,497	16.1
2022	54,888	2.8
2023 <sup>e</sup>	58,181	6.0
2024 <sup>f</sup>	61,789	6.2
2025 <sup>f</sup>	65,805	6.5
2026 <sup>f</sup>	70,214	6.7
2027 <sup>f</sup>	75,058	6.9

*Notes:*

- 1) *e* denotes estimate, *f* denotes forecast
- 2) *CAGR (2023-2027) = 6.6%*

*Source: Protégé Associates*

In 2023, the size of pineapple farming in Malaysia in terms of production was 553,348 tonnes, which was an increase of 3.0% from 437,231 tonnes in 2022. During the same year, the size of the shrimp and prawn aquaculture in Malaysia in terms of production was 58,181 tonnes, an increase of 6.0% from 54,888 tonnes in 2022.

In the short-term (2023-2024), growth in pineapple farming and shrimp and prawn aquaculture sectors is likely to be underpinned by the continued demand for agro-food products from the Malaysian population as well as Government initiatives in improving the nation's food security. However, downside risks include the high cost of implementing smart farming technologies and the skill gap in using and maintaining such technologies. In the medium to long-term (2025-2027), continued efforts by the Malaysian Government to improve the level of self-sufficiency for various food products including rice, beef, and fruits and vegetables to reduce the nation's reliance on food imports as well as to increase the share of contribution of aquaculture to the production of seafood products to reduce the strain on natural resources. The Government also intends to digitise the economy and have introduced the National IoT Strategic Roadmap and the National 4IR Policy as well as tax incentives and grants to encourage the adoption of IoT, AI, and other technologies. Additionally, the use of technology in the agriculture and aquaculture sectors can assist farmers and producers in monitoring crops and animals more effectively, which may improve the quality of the end product. On the other hand, the agriculture and aquaculture sectors may continue to be affected by lack of adoption of smart farming techniques. The lack of broadband coverage and connectivity may further affect the ability to implement smart farming technology.

### **Competitive Analysis**

MHL is involved in the development, construction and maintenance of aquaculture and agriculture farms and related works, including the implementation of smart farming technologies. MHL has undertaken works on shrimp aquaculture farms as well as a pineapple agriculture farm. For the financial years ended December 31, 2022, MHL recorded revenue of RM73.2 million. Competitors of MHL include companies that develop and construct agriculture and aquaculture farms, players who develop smart farming technologies in-house, or players that are smart farming service providers.

For the purposes of comparison, Protégé Associates has selected companies registered in Malaysia involved in the provision of smart farming solutions.

**Alliance Agrotech Sdn Bhd (“Alliance Agrotech”):** Alliance Agrotech is principally involved in the provision of smart farming technologies such as drones, unmanned ground vehicles, aerial mapping, as well as agriculture consulting services to aid farmers and producers. For the financial period ended September 30, 2022, Alliance Agrotech recorded revenue of RM0.2 million.

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**Braintree Technologies Sdn Bhd (“Braintree Technologies”):** Braintree Technologies is principally involved in the development of smart farming technologies utilising robotics and AI. Braintree Technologies utilises drones to inspect farms as well as map out farms, count trees, and disperse pesticides. For the financial year ended June 30, 2022, Braintree Technologies recorded revenue of RM3.3 million.

**FGV Prodata Systems Sdn Bhd (“FGV Prodata Systems”):** FGV Prodata Systems is a subsidiary of FGV Holdings Berhad, which is publicly listed on the Main Board of Bursa Securities Malaysia Berhad. It is primarily involved in the provision of information and communication technology services for customers in various sectors such as agriculture, transportation, financial, and education. For the agriculture sector, FGV Prodata Systems provides solutions such as estate management and automation. For the financial year ended December 31, 2021, FGV Prodata Systems recorded revenue of RM185.7 million.

**Hexa IoT Sdn Bhd (“Hexa IoT”):** Hexa IoT is principally a provider of IoT solutions to customers in various sectors including agriculture and manufacturing. For the agriculture sector, Hexa IoT provides solutions such as soil, climate, and water monitoring as well as visual quality inspection. For the financial year ended May 31, 2022, Hexa IoT recorded revenue of RM0.6 million.

**MH Delima Sdn Bhd (“MH Delima”):** MH Delima is primarily involved in the provision of teaching equipment for various sectors including agriculture and automotive. In cooperation with Universiti Teknologi Mara, MH Delima has developed smart farming solutions such as water monitoring system, feeding system, recirculatory aquaculture system, as well as fertigation and irrigation systems. For the financial year ended December 31, 2021, MH Delima recorded revenue of RM4.9 million.

**Redtone Digital Berhad:** Redtone Digital Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Bhd, is a provider of telecommunications services, managed telecommunications network services, and industry digital services. Under industry digital services, Redtone Digital Berhad provides cloud services and application, virtual reality, and IoT for smart farming. For the financial year ended June 30, 2022, Redtone Digital Berhad recorded revenue of RM158.0 million, of which RM4.3 million from industry digital services.

**Singularity Aerotech Asia Sdn Bhd (“Singularity Aerotech Asia”):** Singularity Aerotech Asia is primarily an engineering services and technology provider for various sectors including aerospace, manufacturing, oil and gas, and agriculture. Singularity Aerotech Asia has developed SM4RT TANITM, a platform which utilizes IOT and cloud-based solutions to monitor soil, weather, and water conditions in real-time. For the financial year ended December 31, 2021, Singularity Aerotech Asia recorded revenue of RM7.7 million.

Figure 15: Comparison between MHL and Selected Market Players

Company Name	Latest Available Financial Year	Revenue (RM million)	Profit/(Loss) Before Tax (RM million)	Profit/(Loss) After Tax (RM million)	Profit/(Loss) Before Tax Margin (%)	Profit/(Loss) After Tax Margin (%)
<b>Megan Holdings Limited</b>	December 31, 2022	73.2	12.5	9.5	17.1	13.0
Alliance Agrotech	30 September 2022 <sup>(1)</sup>	0.2	*	*	0.4	(0.1)
Braintree Technologies	30 June 2022	3.3	*	*	1.4	(4.9)
FGV Prodata Systems	31 December 2021	185.7 <sup>(2)</sup>	-6.1	-4.4	(3.3)	(2.4)
Hexa IoT	31 May 2022	0.6	*	*	1.2	0.2
MH Delima	31 December 2021	4.9	*	*	0.8	0.3
Redtone Digital Berhad	30 June 2022	158.0 <sup>(3)</sup>	56.5	40.5	35.8	25.6
Singularity Aerotech Asia	31 December 2021	7.7	0.2	0.1	2.6	1.3

Notes:

- The list of market players is alphabetically arranged and does not constitute as a ranking;
- The above companies are considered directly comparable as they provide smart farming products and solutions similar to Megan Holdings Limited. However, these comparable companies may not be identical to Megan Holdings Limited due to the following reasons:

- a. *Not all companies have the same financial year end; and*
- b. *Not all companies carry out the same type of smart farming business activities, products and services as each other. They may provide products and solutions such as drones, unmanned ground vehicles, water monitoring systems, feeding systems, irrigation systems, AI solutions, or cloud-based solutions. They may also derive revenue from other non-smart farming activities such as provision of computer upgrading services, sales and rental of computer hardware and software, telecommunications services, managed telecommunications network services.*



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- \* denotes a figure less than RM100,000
- 1. The financial period for Alliance Agrotech Sdn Bhd was April 16, 2021 to September 30, 2022
- 2. The revenue of FGV Prodata Systems includes the income generated from provision of computer upgrading services (RM66.3 million), provision of IT services (RM64.8 million), sales of computer hardware and software (RM21.8 million), training services (RM0.2 million), and rental of computer hardware and software (RM32.6 million).
- 3. The revenue of Redtone Digital Berhad includes the income generated from telecommunications services (RM40.8 million), managed telecommunications network services (RM80.1 million), non-operating spectrum related income (RM32.8 million), and industry digital services (for smart farming) (RM4.3 million).

Source: Megan Holdings Limited, Annual Report of Redtone Digital Berhad and Companies Commission of Malaysia

## Market Share

In 2023, there is a total area of approximately 17,805 hectares of planted area of pineapples in Malaysia. MHL currently services 1 agriculture farm, namely a pineapple farm, with a total area of approximately 121 hectares, thus giving them a market share of approximately 0.68% in terms of total planted area of pineapples.

In 2022, there were 113,109 units of brackish water aquaculture culture systems in Malaysia a total area of 8,231 approximately hectares. MHL currently services 2 aquaculture farms with a total area of 267 hectares, thus giving them a market share of 3.24% in terms of total area.

## Key Industry Drivers

### *Growing Population in Malaysia*

In 2022, the population in Malaysia was estimated at 32.7 million compared to 32.6 million in 2021. The population is expected to reach 41.5 million in 2040. The demand for agriculture and aquaculture produce is positively correlated to the growth in population as a higher population will lead to demand for food as a basic need. This is likely to drive the agriculture and aquaculture sectors as more products such as vegetables, fruits, fish, and shrimp need to be produced to meet the demands of the population. This will in turn spur the growth of smart farming technology in the agriculture and aquaculture sectors to reduce operational costs and labour demands while ensuring sufficient food for the population.

### *The Malaysian Government's Prioritisation of Food Security*

To meet the needs of the country's population, Malaysia has been importing food products from other countries. Food products imported by Malaysia include meat and meat products, dairy and dairy products, fish, rice, vegetables, fruits, and sugar. In 2022, Malaysia's imported RM75.71 billion worth of food compared to RM44.61 billion worth of food exports, resulting in a trade deficit of RM31.10 billion. In the preceding year, Malaysia imported RM63.65 billion worth of food compared with an export of food worth RM38.70 billion, resulting in a trade deficit of RM24.95 billion. Furthermore, Malaysia ranked 41<sup>st</sup> on the GSFI with a heavy reliance on imports for essential food products, which signifies that the country does not produce enough of food to feed its people. More recently, the impact of the COVID-19 pandemic, geopolitical conflict, climate, and currency has led to an increase in food input prices. The poultry industry in particular was affected as the price of animal feed (which Malaysia significantly imports) led to a shortage in poultry and eggs, affecting the accessibility and ability for consumers to purchase said products.

The Malaysian Government is committed to tackle the issue by outlining its strategies and plans in line with the National Food Security Policy Action Plan 2021 – 2025 and the National Agro-Food Policy 2021 – 2030. Under the National Agro-Food Policy 2021 – 2030, Malaysia aims to improve the level of self-sufficiency of food products such as rice from 63.0% in 2019 to 80.0% in 2030, fruits from 78.2% to 83.0%, beef from 22.3% to 50.0%, and vegetables from 44.6% to 79.0% over the same period. The Government also aims to increase yield from aquaculture activities to reduce pressure on demand for natural water resources. The abovementioned policies are being implemented to bolster the food production with the adoption of modern technologies, thus reducing the import dependency. This will likely drive the agriculture and aquaculture sectors moving forward, which in turn bodes well for the use of IOT in the aforementioned sectors.

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### *Government's Digitization Effort*

Besides making food security a national priority, the Malaysian Government is also prioritizing the digitization of the economy and have launched the National 4<sup>th</sup> Industrial Revolution Policy (“National 4IR Policy”) to address digitization. The National 4IR Policy focuses on 10 key sectors, such as agriculture, manufacturing, healthcare, education, and construction. In terms of the agriculture industry, key initiatives include the establishment of 4IR agricultural technology application centre as well as establishing a 4IR agriculture facilitation fund to further encourage the adoption of emerging technologies such as drone technology and IoT to enhance efficiency and productivity in farming. An additional initiative in the National 4IR Policy is investment in basic infrastructure in rural areas to enable the adoption of 4IR technologies. In addition, the Malaysian Government had previously introduced the National IoT Strategic Roadmap. The roadmap, launched in 2014, aims to modernize farming and hence improve the overall efficiency and productivity of the agriculture industry.

In support of digitization, the Malaysian Government is also providing tax incentives to further encourage the adoption of 4IR technology amongst market players. Under the Revised Budget 2023, the Government reviewed the Accelerated Capital Allowance (“ACA”) to include the agriculture industry in addition to the manufacturing and services industries. There are also tax incentives for food production projects including modern environmentally controlled agriculture up to the year 2025. Aside from tax incentives, the Government is also providing grants to spur the modernization of the agricultural sector by providing a matching grant of RM50.0 million to encourage the automation in the agriculture sector through the use of robotics and AI.

The Government had also announced that RM1.00 billion worth of funding under the Agro-Food Financing Scheme will be made available via Bank Negara Malaysia (“BNM”) to help agro-food entrepreneurs in increasing their production capacity. In addition to that, the Malaysian Government has announced an allocation of RM10.0 million to expand the e-Ladang program via MDEC. The program aims to onboard train more small-scale farmers and producers to adapt to technology, thus increasing their awareness of the latest farming technologies.

### *Smart Farming Technology Improves the Quality of Agriculture and Aquaculture Products*

Most of the agriculture and aquaculture products in Malaysia vary in terms of quality. However, with most consumers being more health conscious, there is a rising demand for quality agriculture and aquaculture products. As a result, industry players in the agriculture and aquaculture sectors are looking to solutions to further improve the quality and standards of their produce.

With the advancement in technology, smart farming practices that incorporate the usage of IoT and big data analytics will aid farmers and aquaculture practitioners to better understand the quality of their products via real-time monitoring and analytics of the collected data. For example, the usage of drone technology in the agriculture sector has allowed farmers to be more efficient in their crop management. The mapping capabilities of drones has enabled the farmers to measure and obtain data such as the water stress level and the physiological features of the crop in a more accurate fashion. This move has allowed them to make more informed decisions and maintain the quality of their produce. Smart farming has also enabled market players in the aquaculture industry to utilize technology such as IoT, big data analytics and AI to monitor the water quality and to increase the efficiency in the prevention of diseases in fishes and other aquaculture produce. As a result, they will be able to deliver products that are of better quality to consumers. The ability to produce higher quality products is likely to spur the adoption of smart farming technology to meet consumer needs.

## **Potential Industry Challenges**

### *Lack of Adoption of Smart Farming*

Despite the Malaysian Government's effort in promoting adoption of smart farming, most industry players in the country still rely on conventional methods of farming due to the high cost of implementation and the limited knowledge towards smart farming.

There are costs that needs to be incurred for a full implementation of smart farming technology. The tools and equipment involved in the deployment of the technology such as drones, IoT tools, and big data analytics software require upfront capital expenditure. On top of that, there are maintenance and servicing costs involved in ensuring the

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entire system functions optimally. Farmers and producers may be unable to or unwilling to invest to set up and utilize smart farming technologies as they may not be able to visualize the improvements in efficiency and productivity that such technologies will offer them.

Despite the Malaysian Government's efforts in promoting adoption of smart farming technologies, the desire for changes in the farming practices is still low. Farmers and producers still rely on conventional technologies and methods due to limited infrastructure and knowledge compared to more developed countries. Malaysian farmers may feel uncertain and insecure about adopting smart farming practices due to their unfamiliarity with them. Malaysian farmers, especially those in rural or remote areas, may still be unaware of smart farming practices. Limited access to technology and knowledge, especially in remote locations, further hinders their ability to adopt necessary farming technologies.

### *Skill Gap in Using and Maintaining Smart Farming Technologies*

Effective implementation of smart farming technologies requires knowledge and technical competency. However, there is a skill gap amongst stakeholders including the farmers and producers. As a relatively new technology in Malaysia that is not yet widely adopted, the number of professionals with the necessary knowledge is limited.

To fully leverage the benefits of smart farming technology, farmers and producers must be able to grasp and apply the technology seamlessly to monitor their crops optimize the yield. Without proper understanding, they may not experience improvement, while incurring expenses related to investment and maintenance in the smart farming equipment.

### *Insufficient Coverage and Connectivity in Certain Areas in Malaysia*

The implementation of smart farming technologies requires network connectivity to connect various parts such as sensors, computers, and automated machinery and equipment. Insufficient coverage and low connectivity in certain areas in Malaysia is likely to negatively affect adoption of smart farming technologies. According to Malaysia Communication and Multimedia Commission, the nationwide fixed-broadband penetration rate stood at 48.6% as of 1Q 2023. On a related note, the fixed broadband penetration rate is relatively low in several states in Malaysia, particularly in states such as Kelantan, Pahang and Terengganu in the East Coast, and Sabah and Sarawak in Malaysia. As of 1Q 2023, the fixed broadband penetration rate for Kelantan, Pahang and Terengganu is merely 24.8%, 30.9% and 35.3% respectively. Meanwhile, the fixed broadband penetration rate for the Malaysian states of Sarawak and Sabah is only 38.9% and 29.7% respectively. Nationwide adoption of the smart farming technology may be hindered by the lack of connectivity as network and broadband infrastructure are crucial for the effective implementation of said technology. Additionally, the current network and broadband infrastructure may not be adequate for the full implementation of smart farming technologies, particularly in transmitting large volumes of data collected.

To address this, the Malaysian Government has pledged to improve the digital infrastructure as outlined in the 12<sup>th</sup> Malaysian Plan. The Government is allocating RM28.00 billion to improve the existing 4G network with investment by both the public and private sectors. On top of that, an additional RM15.00 billion is allocated to expedite the implementation of 5G network, with investment primarily from the private sector. Besides that, the Government through Jalinan Digital Negara ("JENDELA") is targeting an 80.0% deployment of 5G network services in populated areas nationwide by the end of 2023 through the implementation of JENDELA Phase 2 (2023 – 2025).

Nevertheless, though efforts are being made to improve network connectivity across the nation, the current infrastructure in Malaysia is not optimal for a full implementation of smart farming and is likely to affect the growth of the agriculture and aquaculture sectors.

*Network Security Threats Due to the Sophistication in Technology*

The proliferation of data via multiple devices, platforms and networks has heightened the risk of cyber-attacks beyond computers. As Internet usage expands via the application of IoT devices and networks, there is a heightened risk of data breaches jeopardizing people's identity, privacy and other vital information. The risk also deters farmers and

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producers from adopting of smart farming technologies, fearing data theft and unexpected network security breaches that could compromise confidential information such as crop yields and production capacity. Network security breaches may also expose farmers and producers to sabotage if the smart farming technologies are maliciously misused. Established smart farming firms need to invest in safer and more secure agricultural technology software to address such threats.

### **Barriers to Entry**

#### *Capital Expenditure Requirements*

The implementation and maintenance of IoT devices and software systems in smart farming requires investment. To fully implement smart farming in agriculture or aquaculture ventures, funds must be allocated for initial capital expenditure. Prospective entities venturing into the smart farming technology field, either as end-users of the technology or agricultural solutions provider, must be prepared to incur costs relating to the procurement of the relevant tools and equipment. Such costs include purchasing sensors, setting up infrastructure for network connectivity, data analytics to analyze the data collected from sensors, and the software required to manage and monitor operations.

In addition to the initial capital expenditure requirements, maintenance costs associated with smart farming technologies can be expensive. Machinery and equipment used in smart farming require regular maintenance to perform optimally. Further to routine maintenance, hardware and software updates may be required to keep abreast with technological advancements. Moreover, the machinery and equipment are used outdoors and may be exposed to wear and tear, resulting in repair and replacement costs for farmers and producers.

#### *Training Cost to Equip Stakeholders with Necessary Competency*

As smart farming is a relatively new technology, equipping stakeholders with the necessary competency in smart farming techniques, including IoT and automation technology, is likely to come with high training costs. As a result, the firms that intend to implement smart farming is expected to incur costs in training their employees to be well-versed in the application of the different technologies. This additional cost poses a significant barrier to entry for prospective market players.

### **Outlook of the Agriculture (Pineapple) and Aquaculture Sectors in Malaysia**

The size of pineapple farming in Malaysia in terms of production was estimated to be 553,348 tonnes in 2022 while shrimp and prawn aquaculture in Malaysia in terms of production was estimated to be 58,181 tonnes in the same year. Shrimp and prawn aquaculture recorded a positive growth of 6.0% while pineapple farming recorded a growth of 3.0% in 2022. Both sectors are expected to grow steadily in the future. The growth is likely to be underpinned by demand for agriculture and aquaculture products in line with a growing population. Malaysia's population in 2022 was estimated to be 32.7 million and is expected to reach 41.5 million in 2040, thus leading to higher demand for agri-food products. The Malaysian Government's prioritization of food security will also drive growth in the sectors over the forecast period. In order to reduce reliance on imports for food products, the Government has implemented various strategies and plans such as the National Food Security Policy Action Plan 2021 – 2025 and the National Agro-Food Policy 2021 – 2030. Support from the Government in terms of increasing digitization in the country is also expected to boost the sectors moving forward. The Government aims to encourage the adoption of 4IR technologies, including in the agriculture and aquaculture sectors. Usage of smart farming technologies is expected to reduce labor, improve productivity, improve product quality while leading to increased revenue for farmers and producers. This will also aid the country in achieving food security moving forward.

On the flip side, the agriculture and aquaculture sectors may face headwinds such as lack of adoption of smart farming, skills gap in implementing smart farming technologies, insufficient coverage and connectivity across Malaysia, and network security threats. Lack of adoption of smart farming may arise from reasons such as lack of knowledge and high cost of implementation. Lack of knowledge means that farmers and producers may not be aware that there are indeed smart farming technologies to help them improve productivity and efficiency. On the other hand, farmers and producers aware of such technologies may not be able to implement them due to the high costs involved. Nevertheless, lack of adoption of smart farming technologies may affect the ability of the

agriculture and aquaculture sectors to grow in the forecast period. There is still a skills gap in implementing and utilizing smart farming technologies as they are considered to be relatively new and not yet widely adopted in Malaysia. Network and broadband infrastructure

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are crucial for the effective implementation of said technology due to the connected nature of sensors, monitoring systems, and automated machines used in smart farming. As such, insufficient network coverage and connectivity will likely affect the adoption of smart farming technologies and therefore limit the growth of the sectors. The connected nature of smart farming technologies may be at risk of network security breaches. Lack of network security is likely to dampen the adoption of smart farming technologies and as such limit the growth of the sectors in future. Growth of the industry may also be dampened by the barriers to entry such as capital expenditure requirements and high training costs.

Nevertheless, the agriculture and aquaculture sectors in Malaysia are expected to remain resilient throughout the forecast period. Protégé Associates has forecast pineapple farming to grow at a CAGR of 8.4% from 553,348 tonnes in 2023 to 764,736 tonnes in 2027. The shrimp and prawn aquaculture is forecast to grow at a CAGR of 6.6% from 58,181 tonnes in 2023 to 75,058 tonnes in 2027.



## REGULATIONS

Due to the geographic diversity of our operations and services, our operations are subject to a variety of rules and regulations. We are subject to all of the local regulations generally applicable to businesses in the jurisdictions in which we operate, including with respect to employment, health and safety, competition, tax and other regulations. We set out below brief descriptions of certain regulations particularly significant for our operations.

### Malaysia

Our operations are subject to a variety of rules and regulations. We primarily operate in Malaysia and are therefore subject to all of the local regulations generally applicable to businesses in Malaysia, including with respect to licensing, taxation, employment, data protection, anti-money laundering and other regulations. We set out below brief descriptions of certain regulations particularly significant for our operations.

#### *Licensing*

In general, there is a requirement to obtain business premise licenses from the relevant local councils and authorities in accordance with the Local Government Act 1976 and the relevant by-laws and regulations for operating business premises in Malaysia. Most local or district councils have Licensing of Trades, Businesses and Industries By-Laws which stipulate, among others, that no person shall carry on any trade, business or industry in any place or premise within the respective district council unless he is licensed. Each set of by-laws applies within the boundaries of each local or district council. It is an offence for any person to use any premise for operating any business premise without a business premise license, which on conviction, is punishable with a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or both and in the case of a continuing offence, to a fine not exceeding RM200 for each day during which the offence is continued after conviction. The business premise license issued is renewable on an annual basis and we plan to renew it.

We primarily operate from our office located at B-01-07, Gateway Corporate Suites, Gateway Kiaramas, No.1, Jalan Desa Kiara, 50480 Mont Kiara, Kuala Lumpur, Malaysia and we hold a valid business license issued by Dewan Bandaraya Kuala Lumpur for our office premise.

Pursuant to Section 25 (1) of the Malaysian Construction Industry Development Board Act 1994, no person shall carry out or complete, undertake to carry out or complete any construction work or hold himself out as a contractor, unless he is registered with the Malaysian Construction Industry Development Board (“CIDB Malaysia”). As a company whose principal business is in the development, construction and maintenance of aquaculture farms and related works, to the best of our knowledge, we are registered with CIDB Malaysia under the Company (Non-Contractor) category applicable to consultants, project owners and/or developers. We intend to register with CIDB Malaysia as a contractor under the Company (Contractor) category in the near future once we meet certain requirements.

#### *Contracts*

The Contracts Act 1950 (the “CA 1950”) is the principal legislation governing contracts in Malaysia. The contracts as appearing herein and/or entered into by our subsidiary are legally binding and enforceable under the CA 1950 until the completion or termination thereof.

#### *Employment*

The Employment Act 1955 (“EA 1955”) is the principal law that regulates labor relations and employees in Malaysia, and governs the terms and conditions of employment such as working hours, holidays and rest periods, wages, overtime and other employment conditions.

In addition, an employer is under legal obligations to make statutory contributions as per the requirements under the Employees Provident Fund Act 1991 (“EPF Act”) towards an employee pension fund, the Employees Social Security Act 1969 (“ESSA 1969”) towards social security for employees, and the Employment Insurance System Act 2017 (“EIS”) for protection against occupational injuries including occupational diseases and commuting accidents.

In Malaysia, the Employment (Restriction) Act 1968 provides that a non-citizen shall not be employed in any business in Malaysia without a valid employment permit. A foreign employee is required to obtain a work permit such as employment pass or professional visit pass issued by the Department of Immigration, Malaysia in order to carry out employment in Malaysia.

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We are in compliance and intend to continue to be compliant with all of the aforesaid legislation regarding employment.

Section 19 of the EA 1955 provides that every employer shall pay to each of his employees no later than the seventh day after the last day of any wage period. Subject to the contract of service, the wage period will normally be one month. If there is no wage period mentioned in the contract of service, the wage period shall be deemed to be one month. Under section 12 of the EA 1955, on termination, either the employer or the employee may give notice or payment in lieu of notice to terminate the contract of service. The length of such notice shall depend on the tenure of the employment of the employee.

Regardless of whether the employee falls under the purview of the EA 1955, the employer is under legal obligations to make statutory contributions as per the requirements under the Employees Provident Fund Act 1991 (the “EPF Act”), the Employees Social Security Act 1969 (the “ESSA 1969”), and the Employment Insurance System Act 2017 (the “EIS”). The EPF Act imposes statutory obligation on employers and employees to make contribution to the employees’ provident fund, or the EPF, which is a pension fund that is mandatory (with a few exceptions) for all Malaysian employees. The EPF is a saving scheme for retirement purposes of an employee.

The ESSA 1969 provides for social security for employment injury contingencies in favor of employees and is administered by the Social Security Organization. The Social Security Organization (the “SOCSO”) was established as one of the government departments under the Ministry of Human Resources to administer, implement and enforce the ESSA 1969 and the Employees’ Social Security (General) Regulations 1971. The Employment Injury Scheme under the SOCSO provides protection to employees against occupational injuries including occupational diseases and commuting accidents. Employers are responsible for reporting all work-related accidents that befall their workers within forty-eight hours of notification. The ESS Act provides the right to claim benefits such as invalidity pension, disablement benefit, dependent’s benefit, funeral benefit and survivors’ pension. With effect from June 1, 2016, employers are required to make monthly deductions and contributions for all employees depending on their ages but regardless of their monthly wages, and generally calculated based on their monthly wages.

If the employer, (a) fails to pay any contribution or any part thereof which is payable by him under the ESSA 1969 or fails to pay within the time prescribed by regulations any interest payable under section 14A of the ESSA 1969; (b) deducts or attempts to deduct from the wages of an employee the whole or any part of the employer’s contribution; (c) in contravention of section 52 of the ESSA 1969 reduces the wages or any privileges or benefits admissible to an employee; (d) in contravention of section 53 of the ESSA 1969 or any regulation dismisses, discharges, reduces or otherwise punishes an employee; (e) fails or refuses to submit any return or accident report required by the regulations, or makes a false return or report; (f) obstructs any Inspector appointed under section 12 of the ESSA 1969 and includes the Director General and every Deputy Director General or any other official of the Social Security Organization in the discharge of his duties; or (g) is guilty of any contravention of or non-compliance with any of the requirements of the ESSA 1969 or the rules or the regulations in respect of which no special penalty is provided, he shall be punishable with imprisonment for a term which may extend to two years, or with fine not exceeding RM10,000 or with both.

The EIS is an act administered by the Social Security Organization to provide certain benefits and a re-employment program for insured persons in the event of loss of employment. The EIS will provide temporary financial aid for up to six months for retrenched employees until they find new employment. Under the EIS, every employee and employer is required to pay mandatory monthly contributions to the Social Security Organization in accordance with the prescribed rates.

In Malaysia, the Employment (Restriction) Act 1968 provides that a non-citizen shall not be employed in any business in Malaysia without a valid employment permit. A foreign employee is required to obtain a work permit such as employment pass or professional visit pass issued by the Department of Immigration, Malaysia in order to carry out employment in Malaysia.

### *Environment*

The Environmental Quality Act 1974 (“EQA 1974”) is the principal law that governs the prevention, abatement, control of pollution and enhancement of the environment in Malaysia. The EQA 1974 prescribes the prohibition and control of various forms of pollutions as well as the applicable penalties for any violations thereof, and the licensing requirement for activities which requires the movement, storage or deposit of waste.

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Our current operations do not require any license to be issued under the EQA 1974. Additionally, any potential actions by the relevant governmental entities for any alleged violations of the EQA 1974 are primarily made against our customer as the owner/occupier of the premise where the project is undertaken. Nevertheless, precautionary measures are taken by us and our subcontractors to ensure compliance with the EQA 1974 when undertaking the projects to avoid incurring any liability either by us, our customer, or our subcontractor. The precautionary measures taken are such as, but not limited to, avoid conducting any open burning, identifying any risk of waste discharge in or the surrounding area of the project premise, submission of an environmental impact assessment report to the relevant authorities prior to the commencement of the works, and ensuring that the works are conducted in accordance with industry norms and practices.

### *Personal Data Protection*

Under the Personal Data Protection Act 2010 of Malaysia (“Malaysian PDPA”), organizations are required to (i) obtain consent from individuals prior to collecting, using or disclosing their personal data, unless the limited exceptions under the Malaysian PDPA arises; (ii) inform individuals in writing in two languages (i.e. English and the national language) of, amongst other things, the purposes for which their personal data will be processed and the third parties to whom their personal data will be disclosed; and (iii) ensure that the personal data collected will be processed in a safe and secure manner in accordance with the security standards prescribed under the Personal Data Protection Standard 2015.

An organization that fails to comply with the provisions under the Malaysian PDPA may, if found guilty, be liable to a financial penalty up to a maximum of RM500,000 and any person who, at the time of the commission of the offence, was a director, chief executive officer, chief operating officer, manager, secretary or any person in a managerial capacity may also be jointly or severally liable with the organization and be subject to imprisonment of up to a maximum of five years.

### *Anti-Money Laundering and Counter-Terrorism Financing*

The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLA 2001”) prohibits money laundering and terrorism financing activities. Any person who (a) engages in a transaction that involves proceeds of unlawful activity; (b) uses proceeds of unlawful activity; (c) removes from or brings into Malaysia proceeds of unlawful activity; or (d) conceals, disguises, or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of unlawful activity, commits a money laundering offence under the AMLA 2001.

In addition, a reporting institution under the First Schedule of the AMLA 2001 is obliged to observe the anti-money laundering and counter financing terrorism requirements and standards, which include reporting and record-keeping duties, such as submitting suspicious transaction reports, implementing risk-based application, and conducting customer due diligence.

Neither we nor our subsidiary is deemed to be a reporting institution. Nevertheless, we are required to comply with the provisions under the AMLA 2001.

## MANAGEMENT

### Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of the date of this prospectus:

Name	Age	Position(s)
Mr. Darren Hoo	39	Chief Executive Officer, Chairman of the Board and Executive Director
Ng Kai Tie	37	Chief Financial Officer
Long Jia Kwang <sup>(1)(2)(3)*</sup>	45	Independent Director Nominee, Chair of Audit Committee
Tse Yin Sum <sup>(1)(2)(3)*</sup>	32	Independent Director Nominee, Chair of Compensation Committee
Lai Yee Yee <sup>(1)(2)(3)(4)*</sup>	31	Independent Director Nominee, Chair of Nomination Committee

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Nominating Committee

(4) Nominee has yet to be determined as at the date of this prospectus

\* The individual shall be appointed and consents to be in such position upon the Company's listing on the Nasdaq Capital Market.

**Mr. Darren Hoo** has been our Chief Executive Officer, Chairman and Executive Director since April 2023. He was appointed as an Executive Director on September 7, 2020. Mr. Darren Hoo is responsible for the overall business management of our operations. Prior to founding MMSB, from April 2018 to August 2020, Mr. Darren Hoo was a partner at Valcon Resources Sdn Bhd, a company which specializes in process control instruments where he was responsible for achieving growth and hitting sales targets at the sales team he managed. Between October 2011 and March 2018, Mr. Darren Hoo was a manager at JEFI AquaTech Resources Sdn Bhd ("JEFI"), a company focused on aquaculture, where he was involved in JEFI's day to day operations, and oversaw the JEFI's expansion plan of managing a 400-acre shrimp farm and processing factory development, including the design of the shrimp farm and process factory. Mr. Darren Hoo holds a Bachelor of Science in Biotechnology from the University College Sedaya International (UCSI) of Malaysia.

**Mr. Ng Kai Tie** has been our Chief Financial Officer since July 2023, in charge of our finance and risk management functions. Prior to joining us, Mr. Ng has more than 10 years of professional experience in audit and assurance in Singapore and Malaysia. During his professional career, his extensive audit experience includes auditing companies listed in Singapore and United States, multinational corporations, and small and medium-sized enterprises. Mr. Ng joined Messrs. Paul Wan & Co as an audit manager from 2021 until 2022 where he conducted audits for companies listed on the Singapore Exchange. From 2019 until 2021, Mr. Ng rejoined Mazars LLP as an audit assistant manager where he conducted audits for multinational companies such as LVMH Asia Pacific region office. He worked at Messrs. Tee & Partners in Malaysia from 2017 to 2019 as an audit manager where he conducted audit for companies involved in industries such as manufacturing, hotel management, agriculture, construction and trading. From 2015 until 2017 Mr. Ng worked at Mazars LLP as an audit assistant manager where he was responsible audit planning as well as supervising and training of assistant and engagement management. From 2011 until 2014 Mr. Ng worked as a senior auditor with Messrs. Robert Tan & Co. where he performed external audit jobs for clients. Mr. Ng graduated in 2010 with a Bachelor of Commerce (Hons) Accounting from Universiti of Tunku Abdul Rahman. He has been a member of CPA Australia since 2016.

**Mr. Long Jia Kwang** will begin serving as an independent Director immediately as of the Company's listing on the Nasdaq Capital Market. Mr. Long will serve as chairman of the audit committee and as a member of the nominating committee and the compensation committee.

Mr. Long has over 20 years of experience in auditing, accounting and financial management. Mr. Long worked at KPMG in Johor Bahru, Malaysia from February 2000 to September 2007 with his last position as deputy audit

manager primarily involved in conducting external audit. From October 2007 to October 2014, he worked at KPMG Services Pte. Ltd. in Singapore with his last position as senior manager primarily involved in conducting external audit. Since December 2014, Mr. Long works as financial controller of JCS-Echigo Pte. Ltd. where he is primarily responsible for managing the company's accounts and financial reporting under U.S. GAAP, project management,

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budgeting, internal control, human resources and administrative functions. Since January 2022, Mr. Long has also been appointed as executive director and chief financial officer of JE Cleantech Holdings Limited, a company listed on Nasdaq where he is primarily responsible for overall accounting under U.S. GAAP for financial reporting, financial management, project management, strategic planning and internal control. Since November 2023, Mr. Long has also served as an independent non-executive director of Davis Commodities Limited, a company listed on Nasdaq.

Mr. Long obtained a Bachelor of Commerce degree from the University of Adelaide, Australia in December 1999. Mr. Long was a certified practicing accountant of CPA Australia from November 2004 to April 2015, a chartered accountant of the Malaysian Institute of Accountants from September 2006 to February 2010 and a member of the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore) since April 2013.

U.S. GAAP for financial reporting, financial management, project management, strategic planning and internal control. From October 2007 to October 2014, he worked at KPMG Services Pte. Ltd. in Singapore with his last position as senior manager primarily involved in conducting external audit. Mr. Long worked at KPMG in Johor Bahru, Malaysia from February 2000 to September 2007 with his last position as deputy audit manager primarily involved in conducting external audit. Mr. Long obtained a Bachelor of Commerce degree from the University of Adelaide, Australia in December 1999. Mr. Long was a certified practicing accountant of CPA Australia from November 2004 to April 2015, a chartered accountant of the Malaysian Institute of Accountants from September 2006 to February 2010 and a member of the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore) since April 2013.

**Mr. Tse Yin Sum** will begin serving as an independent Director immediately as of the Company's listing on the Nasdaq Capital Market. Mr. Tse will serve as chairman of the compensation committee and as a member of the nominating committee and audit committee. Mr. Tse Yin Sum has over 10 years of experience in the field of banking and corporate finance. Since October 2017, Mr. Tse has been the executive director of Universal Channel Consultant Limited offering a variety of professional services including corporate services, statutory compliance, corporate advisory, real estate and family office services. Mr. Tse has also acted as the marketing director of Jiyuan Investment Management (Hong Kong) Co., Limited for financial and wealth management services since April 2023. From October 2013 to September 2017, Mr. Tse was the premier relationship manager at the headquarter of The Hongkong and Shanghai Banking Corporation Limited, engaging in customers' wealth management services and global market environment analysis. Mr. Tse obtained a Bachelor of Business Administration in Finance Services degree from the Hong Kong Polytechnic University in 2013.

**Ms. Lai Yee Yee** will begin serving as an independent Director immediately as of the Company's listing on the Nasdaq Capital Market. Ms. Lai will serve as chairman of the nomination committee and as a member of the compensation committee and audit committee. Ms. Lai began her career by managing her family's fish farming business in Rawang alongside her family members. In 2017, she joined Lim Shrimp Organization as an Operations Manager at their Banting farm, where she oversaw the setup, including earthwork, construction, and renovation, leading to its full operational capacity. In 2022, she was employed as the Business Development Manager at Lim Shrimp Organization. In this role, she focuses on identifying new business opportunities, driving profitability, fostering growth, and enhancing the company's reputation. To further her professional development, she is currently pursuing a Bachelor of Business Administration, equipping her with advanced skills to apply in her role.

### **Family Relationships**

There are no family relationships among any of our directors, director nominees or executive officers as defined in Item 401 of Regulation S-K.

### **Election of Officers**

Our executive officers are appointed by, and serve at the discretion of, our board of directors.



## **Board of Directors**

We expect our board of directors to consist of four directors, three of whom will be independent as such term is defined by the Nasdaq Capital Market. We expect that all current directors will continue to serve after this offering.

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Our Directors may be elected by a resolution of our board of directors, or by an ordinary resolution of our shareholders. Our Directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders or by a resolution approved by the board of Directors. A Director will cease to be a director if, among other things, the Director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found by a registered medical practitioner to be or becomes of unsound mind, (iii) resigns his office by notice in writing to the company, or (iv) without special leave of absence from our board, is absent from three consecutive board meetings and our directors resolve that his office be vacated.

A director may vote in respect of any contract or transaction in which he is interested, provided, however that the nature of the interest of any director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote on that matter. A general notice or disclosure to the directors or otherwise contained in the minutes of a meeting or a written resolution of the directors or any committee thereof of the nature of a director's interest shall be sufficient disclosure and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may be counted for a quorum upon a motion in respect of any contract or arrangement which he shall make with our company, or in which he is so interested and may vote on such motion.

### ***Board Committees***

We plan to establish three committees under the board of directors: an audit committee, a compensation committee and a nominating committee. We plan to adopt a charter for each of the three committees. Copies of our committee charters will be posted on our corporate investor relations website prior to our listing on the Nasdaq Capital Market.

Each committee's members and functions are described below.

**Audit Committee.** Our audit committee will consist of Mr. Long Jia Kwang, Mr. Tse Yin Sum, and Ms. Lai Yee Yee upon the effectiveness of their appointments. Mr. Long Jia Kwang will be the chair of our audit committee. We have determined that Mr. Long Jia Kwang qualifies as an "audit committee financial expert." The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

**Compensation Committee.** Our compensation committee will consist of Mr. Long Jia Kwang, Mr. Tse Yin Sum, and Ms. Lai Yee Yee upon the effectiveness of their appointments. Mr. Tse Yin Sum will be the chair of our compensation committee. The compensation committee will be responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the shareholders for determination with respect to the compensation of our directors;



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- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

**Nominating Committee.** Our nominating committee will consist of Mr. Long Jia Kwang, Mr. Tse Yin Sum, and Ms. Lai Yee Yee upon the effectiveness of their appointments. Ms. Lai Yee Yee will be the chair of our nominating committee. The nominating committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating committee will be responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

## **Duties of Directors**

Under Cayman Islands law, our board of directors has the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Under Cayman Islands law, directors owe the following fiduciary duties: (i) duty to act in good faith in what the director believes to be in the best interests of the company as a whole; (ii) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose; (iii) directors should not improperly fetter the exercise of future discretion; (iv) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and (v) duty to exercise independent judgment. In addition to the above, directors also owe a duty to act with skill, care and diligence. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience which that director has. As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in our Memorandum and Articles of Association or alternatively by shareholder approval at general meetings. You should refer to "Description of Share Capital — Differences in Corporate Law" for additional information on our standard of corporate governance under Cayman Islands law.



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### **Interested Transactions**

A director may vote, attend a board meeting or sign a document on our behalf with respect to any contract or transaction in which he or she is interested. A director must promptly disclose the interest to all other directors after becoming aware of the fact that he or she is interested in a transaction we have entered into or are to enter into. A general notice or disclosure to the board or otherwise contained in the minutes of a meeting or a written resolution of the board or any committee of the board that a director is a shareholder, director, officer or trustee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company will be sufficient disclosure, and, after such general notice, it will not be necessary to give special notice relating to any particular transaction.

### **Foreign Private Issuer Exemption**

We are a “foreign private issuer,” as defined by the SEC. As a result, in accordance with the rules and regulations of Nasdaq, we may choose to comply with home country governance requirements and certain exemptions thereunder rather than complying with Nasdaq corporate governance standards. We may choose to take advantage of the following exemptions afforded to foreign private issuers:

- Exemption from filing quarterly reports on Form 10-Q, from filing proxy solicitation materials on Schedule 14A or 14C in connection with annual or special meetings of shareholders, from providing current reports on Form 8-K disclosing significant events within four days of their occurrence, and from the disclosure requirements of Regulation FD.
- Exemption from Section 16 rules regarding sales of Ordinary Shares by insiders, which will provide less data in this regard than shareholders of U.S. companies that are subject to the Exchange Act.
- Exemption from Nasdaq rules applicable to domestic issuers requiring disclosure within four business days of any determination to grant a waiver of the code of business conduct and ethics to directors and officers. Although we will require board approval of any such waiver, we may choose not to disclose the waiver in the manner set forth in Nasdaq rules, as permitted by the foreign private issuer exemption.
- Exemption from the requirement that our board of directors have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.
- Exemption from the requirements that director nominees are selected, or recommended for selection by our board of directors, either by (1) independent directors constituting a majority of our board of directors’ independent directors in a vote in which only independent directors participate, or (2) a committee comprised solely of independent directors, and that a formal written charter or board resolution, as applicable, addressing the nominations process is adopted.

Furthermore, Nasdaq Rule 5615(a)(3) provides that a foreign private issuer, such as us, may rely on our home country corporate governance practices in lieu of certain of the rules in the Nasdaq Rule 5600 Series and Rule 5250(d), provided that we nevertheless comply with Nasdaq’s Notification of Noncompliance requirement (Rule 5625), the Voting Rights requirement (Rule 5640) and that we intend to have an audit committee that satisfies Rule 5605(c)(3), consisting of committee members that meet the independence requirements of Rule 5605(c)(2)(A)(ii). If we rely on our home country corporate governance practices in lieu of certain of the rules of Nasdaq, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of Nasdaq. If we choose to do so, we may utilize these exemptions for as long as we continue to qualify as a foreign private issuer.

Although we are permitted to follow certain corporate governance rules that conform to Cayman Islands requirements in lieu of many of Nasdaq corporate governance rules, we intend to comply with Nasdaq corporate governance rules applicable to foreign private issuers.

### **Code of Conduct, Code of Ethics and Insider Trading Policy**

Prior to the effectiveness of the registration statement of which this prospectus is a part, we intend to adopt (i) a written code of business conduct and ethics and (ii) Insider Trading Policy that applies to our Directors, officers, and employees, including our chief executive officer, chief financial officer, principal accounting officer or controller

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or persons performing similar functions. Following the effectiveness of the registration statement of which this prospectus is a part, a current copy of this code and insider trading policy will be posted on the Corporate Governance section of our website, which is located at [ygroupholding.com](http://ygroupholding.com). The information on our website is deemed not to be incorporated in this prospectus or to be a part of this prospectus. We intend to disclose any amendments to the code of ethics, and any waivers of the code of ethics or the code of conduct for our Directors, executive officers and senior finance executives, on our website to the extent required by applicable U.S. federal securities laws and the corporate governance rules of Nasdaq.

### **Qualification**

There are no membership qualifications for directors. Further, there are no share ownership qualifications for directors unless so fixed by us in a general meeting. There are no other arrangements or understandings pursuant to which our directors are selected or nominated.

### **Involvement in Certain Legal Proceedings**

To the best of our knowledge, none of our directors or officers has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanours, nor has any been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in “Related Party Transactions,” our directors and officers have not been involved in any transactions with us or any of our affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.



## EXECUTIVE COMPENSATION

### Compensation of Executive Directors and Executive Officers

For the financial year ended December 31, 2023, we paid an aggregate of RM173,000.00 (US\$37,688.17) in cash to our Executive Directors and Executive Officers.

For the financial year ended December 31, 2022, we paid an aggregate of RM12,000.00 (US\$2,721.15) in cash to our Executive Directors and Executive Officers. For the financial year ended December 31, 2021, we paid an aggregate of approximately RM12,000.00 (US\$2,874.25) in cash to our Executive Directors and Executive Officers.

### Employment Agreements

#### *Employment Agreement between Mr. Darren Hoo and MHL*

Effective as of May 1, 2023, MHL entered into an Employment Agreement with Mr. Darren Hoo regarding his position of CEO of the Group. The agreement provides for an annual base salary of RM174,000 with the monthly payment of RM14,500, together with such additional discretionary bonus. Mr. Darren Hoo's employment will continue indefinitely, subject to termination by either party to the agreement upon 1 months' prior written notice or the equivalent salary in lieu of such notice.

#### *Employment Agreement between Mr. Kai Tie Ng and MHL*

Effective as of August 1, 2023, MHL entered into an Employment Agreement with Mr. Kai Tie Ng regarding his position of CFO of the Group. The agreement provides for an annual base salary of RM120,000.00 with the monthly payment of RM10,000, together with such additional discretionary bonus. Mr. Kai Tie Ng's employment will continue indefinitely, subject to termination by either party to the agreement upon 2 months' prior written notice or the equivalent salary in lieu of such notice.

### Directors' Agreements

Each of our Directors has entered into a Director's Agreement with the Company effective upon the Company's listing on Nasdaq Capital Market. The terms and conditions of such Directors' Agreements are similar in all material aspects save for the term. The Executive Director's agreement is for an initial term of five (5) years and will continue until the Executive Director's successor is duly elected and qualified. Each independent director's nominee's agreement is for an initial term of one (1) year and will continue until the Director's successor is duly elected and qualified. Each Director will be up for re-election each year at the annual board meeting and, upon re-election, the terms, and provisions of his or her Director's Agreement will remain in full force and effect. Under the Directors' Agreements, the Company agrees, to the maximum extent provided under applicable law, to indemnify the Directors against liabilities and expenses incurred in connection with any proceeding arising out of, or related to, the Directors' performance of their duties, other than any such losses incurred as a result of the Directors' gross negligence or willful misconduct.

Upon completion of this offering, we do not intend to pay Mr. Darren Hoo any additional annual compensation outside of his employment agreement with MMSB. Under the independent directors Nominee's Agreements, the initial aggregate annual salary that is payable to our independent director nominees is US\$12,000.

We will also reimburse all directors for any out-of-pocket expenses incurred by them in connection with their services provided in such capacity. Other than as disclosed above, none of our Directors have entered into a service agreement with our Company or any of our subsidiaries that provides for benefits upon termination of employment.

## PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership, within the meaning of Rule 13d-3 under the Exchange Act, of our ordinary share as of the date of this prospectus, and as adjusted to reflect the sale of the ordinary share offered in this offering for:

- each of our directors and executive officers who beneficially owns our ordinary share; and
- each person known to us to own beneficially more than 5% of our ordinary share.

Beneficial ownership includes voting or investment power with respect to the securities. Except as indicated below, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all ordinary share shown as beneficially owned by them. Percentage of beneficial ownership of each listed person prior to this offering is based on (i) Ordinary Shares issued and outstanding as of the date of this prospectus immediately prior to the effectiveness of the registration statement of which this prospectus is a part and (ii) ordinary share underlying options, warrants or convertible securities held by each such person that are exercisable or convertible within 60 days of the date of this prospectus. Percentage of beneficial ownership of each listed person after this offering includes (i) ordinary share outstanding immediately after the completion of this offering and (ii) ordinary share underlying options, warrants or convertible securities held by each such person that are exercisable or convertible within 60 days of the date of this prospectus, but excludes any shares issuable upon the exercise of the over-allotment option.

As of the date of the prospectus, we have three shareholders of record, who are not located in the United States.

Name of Beneficial Owner	Shares Beneficially Owned Before this Offering		Shares Beneficially Owned after this Offering	
	Number	Percentage	Number	Percentage
<b>Named Executive Officers and Directors:</b>				
Mr. Darren Hoo <sup>(1)</sup>	10,845,000	72.3%	10,845,000	66.7%
Mr. Ng Kai Tie	—	—	—	—
<b>Independent Director Nominees:</b>				
Mr. Long Jia Kwang <sup>(2)</sup>	—	—	—	—
Mr. Tse Yin Sum <sup>(2)</sup>	—	—	—	—
Ms Lai Yee Yee <sup>(2)</sup>	—	—	—	—
<b>5% Shareholders:</b>				
SSL <sup>(1)</sup>	10,845,000	72.3%	10,845,000	66.7%

(1) Mr. Darren Hoo has sole voting and dispositive power over shares owned by SSL, a BVI company, which is 100% owned by Mr. Darren Hoo. The registered address of SSL is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

(2) The individual is an independent director nominee and consents to be an independent director upon the Company's listing on the Nasdaq Capital Market.

## RELATED PARTY TRANSACTIONS

In addition to the executive officer and director compensation arrangements discussed in “Executive Compensation,” we describe below transactions since January 1, 2020, to which we have been a participant, in which the amount involved in the transaction is material to our Company and in which any of the following is a party: (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, our Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of our Company that gives them significant influence over our Company, and close members of any such individual’s family; (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of our Company, including directors and senior management of companies and close members of such individuals’ families; and (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence.

### 1) *Nature of relationships with related parties*

<u>Name</u>	<u>Relationship with the Company</u>
VC Marine Sdn Bhd	Common director through Mr. Darren Hoo and previously engaged as subcontractor by MMSB
Star Sprite Limited	Common director through Mr. Darren Hoo
Mr. Darren Hoo	Executive Director, Chairman and beneficial shareholder through SSL

### 2) *Related party transactions*

Up to the date of this prospectus, MMSB has entered into the following related party transaction with the following related parties:

- (a) VC Marine Sdn Bhd
- (i) By way of a Letter of Award dated July 1, 2021, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out water reservoir distribution and discharge canal earthworks, at a prawn farm located at Kampung Wakuba, Tawau, Sabah belonging to MAG Aquaculture Sdn Bhd (“Wakuba Farm”).
  - (ii) By way of a Letter of Award dated March 31, 2023, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out works such as excavation works, trimming of sides for bund, and bund resurfacing works, at the Wakuba Farm.
  - (iii) By way of a Letter of Award dated October 1, 2020, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out works such as water reservoir, distribution and discharge canal earthworks, at a shrimp farm located at Umas-Umas, Tawau, Sabah belonging to North Cube Sdn Bhd (“Umas Farm”).
  - (iv) By way of a Letter of Award dated July 1, 2021, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out works such as shrimp pond rebuild works, at the Umas Farm.
  - (v) By way of a Letter of Award dated September 1, 2021, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out works such as shrimp pond earthworks, at the Umas Farm.
  - (vi) By way of a Letter of Award dated June 29, 2021, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out works such as basic infrastructure works, installation of seawater intake and discharge system, main building works, and ancillary building works, as well as electrical works, at the shrimp hatchery center in Semporna, Sabah.

- (vii) By way of a Letter of Award dated December 20, 2021, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out works such as basic infrastructure works, installation of seawater intake and discharge system, main building works, and ancillary building works, at the shrimp hatchery center in Semporna, Sabah.
- (viii) By way of a Letter of Award dated September 3, 2021, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out planting area earthworks, at a pineapple farm belonging to Ergobumi Sdn Bhd (“Pineapple Farm”).

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- (ix) By way of a Letter of Award dated May 2, 2022, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out planting area earthworks, at the Pineapple Farm.
  - (x) By way of a Letter of Award dated March 31, 2023, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out soil tillage works, at the Pineapple Farm.
  - (xi) By way of a Letter of Award dated September 8, 2023, we engaged VC Marine Sdn Bhd as a sub-contractor to carry out land preparation works, at the Pineapple Farm.
- (b) Mr. Darren Hoo
- (i) By way of a shareholder loan, Mr. Darren Hoo provided a sum of RM982,983 to MMSB on an interest-free basis and is repayable by MMSB from time to time.

### 3) Related party balances

Net outstanding balances with related parties consisted of the following as December 31, 2021, December 31, 2022 and December 31, 2023:

<u>Name of Companies/ Related Parties</u>	<u>Nature of transactions</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2023</u>
		<u>MYR</u>	<u>MYR</u>	<u>MYR</u>	<u>USD</u>
<i>Advances to subcontractor:</i>					
VC Marine Sdn Bhd	Trade	4,808,250	4,481,511	—	—
<i>Accounts payable:</i>					
VC Marine Sdn Bhd	Trade	—	311,036	739,879	161,183
<i>Amount due to:</i>					
Star Sprite Limited	Non-Trade	—	—	2,108,419	459,321
<i>Amount due to:</i>					
Mr. Darren Hoo	Non-Trade	982,983	—	50,188	10,933

## SECURITIES ELIGIBLE FOR FUTURE SALE

### Ordinary Shares

Before our initial public offering, there has not been a public market for our Ordinary Shares, and although we expect to make an application for the Ordinary Shares to be listed on the Nasdaq Capital Market, a regular trading market for our Ordinary Shares may not develop. Future sales of substantial amounts of shares of our Ordinary Shares in the public market after our initial public offering, or the possibility of these sales occurring, could cause the prevailing market price for our Ordinary Shares to fall or impair our ability to raise equity capital in the future.

Upon completion of this offering at an assumed offering price of US\$4.00 per ordinary share, we will have 16,250,000 Ordinary Shares outstanding, assuming no exercise of the underwriters' over-allotment option. As of the date of this prospectus, we had granted no options and have no outstanding warrants.

All of the Ordinary Shares sold in this offering will be freely transferable by persons other than by our "affiliates" as described below without restriction or further registration under the Securities Act. Sales of substantial amounts of our ordinary share in the public market could adversely affect prevailing market prices of our ordinary share. Prior to this offering, there has been no public market for our Ordinary Shares. We have applied to list the Ordinary Shares on the Nasdaq Capital Market under the symbol "MGN".

### Lock-Up Agreements

Each of our directors, executive officers, and shareholders owning Ordinary Shares has agreed, for a period of 180 days from the commencement of our first day of the public sale of its Ordinary Shares, subject to certain exceptions, not to sell, transfer, or dispose of, directly or indirectly, any of our Ordinary Shares or securities convertible into or exercisable or exchangeable for our Ordinary Shares, without the prior written consent of the underwriters.

We are not aware of any plans by any significant shareholders to dispose of significant numbers of our Ordinary Shares. However, one or more existing shareholders or owners of our Ordinary Shares may dispose of significant numbers of our Ordinary Shares in the future. We cannot predict what effect, if any, future sales of our Ordinary Shares, or the availability of Ordinary Shares for future sale, will have on the trading price of our Ordinary Shares from time to time. Sales of substantial amounts of our Ordinary Shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our Ordinary Shares.

### Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person is entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of Ordinary Shares then outstanding, which will equal shares immediately after our initial public offering, or
- the average weekly trading volume of the Ordinary Shares during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

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**Rule 701**

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants, or advisors who purchases our Ordinary Shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell those Ordinary Shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

**Regulation S**

Regulation S provides generally that sales made in offshore transactions are not subject to the registration or prospectus-delivery requirements of the Securities Act.



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### **DESCRIPTION OF SHARE CAPITAL**

The following description of our share capital and provisions of our amended and restated memorandum and articles of association are summaries and do not purport to be complete. Reference is made to our amended and restated memorandum and articles of association, which will become effective upon or before the completion of this offering, copies of which are filed as an exhibit to the registration statement of which this prospectus is a part (and which is referred to in this section as, respectively, the “memorandum” and the “articles”).

We were incorporated as an exempted company with limited liability under the Companies Act (2023 Revision) of the Cayman Islands, or the “Cayman Companies Act,” on December 7, 2022. A Cayman Islands exempted company:

- is a company that conducts its business mainly outside the Cayman Islands;
- is prohibited from trading in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the exempted company carried on outside the Cayman Islands (and for this purpose can effect and conclude contracts in the Cayman Islands and exercise in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands);
- does not have to hold an annual general meeting;
- does not have to make its register of members open to inspection by shareholders of that company;
- may obtain an undertaking against the imposition of any future taxation;
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

#### **Ordinary Shares**

As of the date of this prospectus, our authorized share capital is US\$50,000 divided into 500,000,000 Ordinary Shares, par value US\$0.0001 per share.

Subject to the provisions, if any, in that behalf in the Memorandum of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company (including fractions of a share) with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper. Such authority could be exercised by the directors to allot shares which carry rights and privileges that are preferential to the rights attaching to Ordinary Shares. No share may be issued at a discount except in accordance with the provisions of the Cayman Companies Act. The directors may refuse to accept any application for shares, and may accept any application in whole or in part, for any reason or for no reason.

At the completion of this offering, there will be 16,250,000 (if the underwriters’ over-allotment option is not exercised) or 16,437,500 (if the underwriters’ over-allotment option is fully exercised) Ordinary Shares issued and outstanding held by at least 300 unrestricted round lot shareholders and beneficial owners which is the minimum requirement by the Nasdaq Capital Market. Ordinary Shares sold in this offering will be delivered against payment from the underwriters upon the closing of the offering in New York, New York, on or about [•].

#### **Listing**

We have applied to list our Ordinary Shares on the Nasdaq Capital Market under the symbol “MGN”.

**Transfer Agent and Registrar**

The transfer agent and registrar for our Ordinary Shares is VStock Transfer, at 18 Lafayette Pl, Woodmere, NY 11598, USA.

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### **Dividends**

Subject to the provisions of the Cayman Companies Act and any rights attaching to any class or classes of shares under and in accordance with the articles the directors may declare dividends or distributions out of our funds which are lawfully available for that purpose.

Subject to the requirements of the Cayman Companies Act regarding the application of a company's share premium account, dividends may also be declared and paid out of any share premium account. The directors when paying dividends to shareholders may make such payment either in cash or in specie.

No dividend shall bear interest.

### **Voting Rights**

On a poll, every shareholder who is present in person and every person representing a shareholder by proxy shall have one vote for each ordinary share. Votes may be given either personally or by proxy. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or by any shareholders present in person or by proxy entitled to vote.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attached to the Ordinary Shares cast by those shareholders entitled to vote who are present in person or by proxy (or, in the case of corporations, by their duly authorized representatives) at a general meeting, while a special resolution requires the affirmative vote of a majority of not less than two-thirds of the votes attached to the Ordinary Shares cast by those shareholders who are present in person or by proxy (or, in the case of corporations, by their duly authorized representatives) at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Cayman Islands Companies Act and our M&A. A special resolution will be required for important matters such as a change of name or making changes to our M&A.

### **Variation of Rights of Shares**

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Unless the terms on which a class of shares was issued state otherwise, the rights conferred on the shareholder holding shares of any class shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with the existing shares of that class.

### **Alteration of Share Capital**

Subject to the Cayman Companies Act, we may, by ordinary resolution:

- (a) increase the share capital by such amount as the Company in general meeting may determine, provided that if the Company has no shares of a fixed amount it may increase its share capital by such number of shares without nominal or par value or may increase the aggregate consideration for which such shares may be issued;
- (b) consolidate and divide all or any of our share capital into shares of larger amount than our existing shares;
- (c) convert all or any part of its paid-up shares into stock and reconvert that stock into paid-up shares of any denomination;
- (d) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association provided that the proportion of any amounts unpaid on the shares shall remain unchanged; and



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- (e) cancel any shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish its share capital by the amount such cancelled shares, provided that if the Company has no shares of a fixed amount it may diminish the number of shares into which its capital is divided.

Without prejudice to the rights pertaining to redemption and repurchase of shares and subject to the provisions of the Companies Act, the Company may by special resolution reduce its share capital and any capital redemption reserve fund.

### **Pre-emption Rights**

Our articles do not contain any provisions relating to pre-emption rights and there are no statutory rights if pre-emption under Cayman Islands law.

### **Forfeiture or Surrender of Shares**

If a shareholder fails to pay any call or instalment of a call or to make any payment required by the terms of issue on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call, instalment or payment remains unpaid, give notice requiring payment of so much of the call, instalment or payment as is unpaid, together with any interest which may have accrued and all expenses that have been incurred by the Company by reason of such non-payment. Such notice shall name a day (not earlier than the expiration of fourteen days from the date of giving of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed the shares in respect of which such notice was given will be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

A person whose shares have been forfeited shall cease to be a shareholder in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture were payable by him to the Company in respect of the shares together with interest thereon, but his liability shall cease if and when the Company shall have received payment in full of all monies whenever payable in respect of the shares.

A certificate in writing under the hand of one Director or the Secretary of the Company that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

The provisions of the articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

### **Share Premium Account**

The directors shall establish a share premium account and shall carry the credit of such account from time to time to a sum equal to the amount or value of the premium paid on the issue of any share or capital contributed or such other amounts required by the Cayman Companies Act.



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### **Redemption and Purchase of Own Shares**

Subject to the provisions of the Companies Act and the Memorandum of Association, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as the Company, before the issue of the shares, may by special resolution determine.

Subject to the provisions of the Companies Act and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares and fractional shares) provided that the manner of purchase has first been authorized by a resolution of the shareholders, and may make payment in any manner authorized or not prohibited by law, including out of capital.

### **Transfer of Shares**

Provided that a transfer of Ordinary Shares complies with applicable rules of the Nasdaq Capital Market, a shareholder may transfer Ordinary Shares to another person by completing an instrument of transfer in a common form or, with respect to Ordinary Shares, in a form prescribed by Nasdaq, or in any other form approved by the directors, executed:

Where the Ordinary Shares in question are not listed on or subject to the rules of the Nasdaq Capital Market, our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share without assigning any reason therefor.

If our directors refuse to register a transfer, they are required, within two months after the date such refusal, to send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 14 calendar days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and our register of members closed at such times and for such periods as our board of directors may from time to time determine. The registration of transfers, however, may not be suspended, and the register may not be closed, for more than 30 days in any year.

### **Inspection of Books and Records**

Holders of our Ordinary Shares will have no general right under the Cayman Companies Act to inspect or obtain copies of our register of members or our corporate records.

### **General Meetings**

As a Cayman Islands exempted company, we are not obligated by the Cayman Companies Act to call shareholders' annual general meetings; accordingly, we may, but shall not be obliged to, in each year hold a general meeting as an annual general meeting. Any annual general meeting held shall be held at such time and place as may be determined by our board of directors. All general meetings other than annual general meetings shall be called extraordinary general meetings.

The directors may whenever they think fit, and they shall on the requisition of shareholders of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, proceed to convene a general meeting of the Company. Any such requisition shall express the object of the meeting proposed to be called, shall be signed by the requisitionists and shall be left at the registered office of the Company. If the Directors do not proceed to convene a general meeting within twenty one days from the date of such requisition being left as aforesaid, the requisitionists or any of them or any other member or members holding in the aggregate not less than one tenth of such paid-up capital of the Company which, as at the date of the requisition, carries the right of voting at general meetings, may convene an extraordinary general meeting to be held at such place and time as they shall appoint, subject to the Company's Articles as to notice. Any such meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty-one days.

Subject to the provisions of the Companies Act relating to Special Resolutions, five days' notice at the least (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which the notice is given) specifying the place, the day and the hour of the general meeting and the general nature of the business shall be given



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in the manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meeting, to such persons as are, under the Articles, entitled to receive such notices from the Company. The notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution.

Notwithstanding that a meeting of the Company is called by shorter notice than that referred to the Articles, it shall be deemed to have been duly called if it is so agreed by in the case of a general meeting called as an annual general meeting by a majority in number of the members of the Company entitled to attend and vote thereat being a majority together holding not less than 51 per cent in nominal value or in the case of shares without nominal or par value 51 per cent of the shares in issue, or their proxies and in the case of any other general meeting by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 51 per cent in nominal value or in the case of shares without nominal or par value 51 per cent of the shares in issue, or their proxies.

No business shall be transacted at any general meeting unless a quorum of shareholders is present at the time when the meeting proceeds to business. No business other than the appointment of a chairman of a general meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. At any general meeting of the Company, two (2) shareholders entitled to vote and present in person or by proxy or (in the case of a shareholder being a corporation) by its duly authorised representative representing not less than one-third in nominal value of the total issued voting shares in the Company throughout the meeting shall form a quorum for all purposes

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the shareholders present shall be a quorum and may transact the business for which the meeting was called.

The Chairman may, with the consent of any general meeting duly constituted, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman or any other shareholder present in person or by proxy entitled to vote. Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's minute book containing the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

If a poll is duly demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote.

## **Directors**

Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than one or be more than twelve.

A director may be appointed by ordinary resolution or by the directors. Any appointment may be to fill a vacancy or as an additional director.

The directors shall be entitled to such remuneration as the directors may determine.

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The shareholding qualification for directors may be fixed by our shareholders in general meeting and unless and until so fixed no share qualification shall be required.

Our memorandum and articles of association do not contain term limits for director appointments.

A director may be removed by ordinary resolution.

A director may at any time resign or retire from office by giving us notice in writing. Unless the notice specifies a different date, the director shall be deemed to have resigned on the date that the notice is delivered to us.

Subject to the provisions of the articles, the office of a director may be terminated forthwith if:

- (a) dies;
- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) in the opinion of a registered medical practitioner by whom the Director is being treated the Director is physically or mentally incapable of acting as a director;
- (d) is prohibited by the laws of the Cayman Islands from acting as a Director;
- (e) only held office as a director for a fixed term and such term has expired;
- (f) is required to resign in accordance with the Company's corporate governance policy (as amended from time to time);
- (h) resigns his office by notice in writing to the Company; or
- (i) he shall for more than three consecutive meetings have been absent from Directors' meetings (without being represented by an alternate Director) without permission of the Directors and the remaining Directors resolve that his office be vacated.

Each of the compensation committee and the nominating and corporate governance committee shall consist of at least three directors and the majority of the committee members shall be independent within the meaning of Section 5605(a)(2) of the Nasdaq listing rules. The audit committee shall consist of at least three directors, all of whom shall be independent within the meaning of Section 5605(a)(2) of the Nasdaq listing rules and will meet the criteria for independence set forth in Rule 10A-3 or Rule 10C-1 of the Exchange Act.

### **Powers and Duties of Directors**

Subject to the provisions of the Cayman Companies Act and our amended and restated memorandum and articles of association, our business shall be managed by the directors, who may exercise all our powers. No prior act of the directors shall be invalidated by any subsequent alteration of our memorandum or articles of association. To the extent allowed by the Cayman Companies Act and applicable law, however, shareholders may by special resolution validate any prior or future act of the directors which would otherwise be in breach of their duties.

The directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration.

The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby. Upon the closing of this offering, our board of directors will have established an audit committee, compensation committee, and nomination and corporate governance committee.



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The directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under the articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the directors may think fit and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

No Director or officer of the Company shall be disqualified by his office from holding any office or place of profit under the Company or under any company in which the Company shall be a member or otherwise interested, or from contracting or dealing with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director or officer shall be in any way interested, be avoided, nor shall any Director or officer be liable to account to the Company for any profit arising from any such office or place of profit or realized by any such contract or arrangement by reason only of such Director or officer holding that office or of the fiduciary relations thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is taken into consideration if his interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interest. A general notice of disclosure or otherwise contained in the minutes of the meeting that a Director or officer is a member of any specified firm or company, and is to be regarded as interested in all transactions with that firm or company, shall be a sufficient disclosure under this Article as regards such Director or officer and the said transactions, and after such general notice it shall not be necessary for such Director or officer to give a special notice relating to any particular transaction with that firm or company.

### **Capitalization of Profits**

The Company may upon the recommendation of the directors by ordinary resolution authorize the directors to capitalize any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to shareholders in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the directors shall do all acts and things required to give effect to such capitalization, with full power to the directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the shareholders concerned). The Directors may authorize any person to enter on behalf of all of the shareholders interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

### **Liquidation Rights**

If the Company shall be wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

The directors have the authority to present a petition for our winding up to the Grand Court of the Cayman Islands on our behalf without the sanction of a resolution passed at a general meeting.



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### **Register of Members**

Under the Cayman Companies Act, we must keep a register of members and there should be entered therein:

- the names and addresses of the members of the company, a statement of the shares held by each member, which: distinguishes each share by its number (so long as the share has a number); confirms the amount paid, or agreed to be considered as paid, on the shares of each member; confirms the number and category of shares held by each member; and confirms whether each relevant category of shares held by a member carries voting rights under the Articles, and if so, whether such voting rights are conditional;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

For these purposes, “voting rights” means rights conferred on shareholders, including the right to appoint or remove directors, in respect of their shares to vote at general meetings of the company on all or substantially all matters. A voting right is conditional where the voting right arises only in certain circumstances.

Under the Cayman Companies Act, the register of members of our Company is prima facie evidence of the matters set out therein (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a shareholder registered in the register of members is deemed as a matter of the Cayman Companies Act to have legal title to the shares as set against its name in the register of members. Upon the completion of this offering, the register of members will be immediately updated to record and give effect to the issuance of shares by us to the custodian or its nominee. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a shareholder of our company, the person or shareholder aggrieved (or any shareholder of our Company or our Company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

### **Differences in Corporate Law**

The Cayman Companies Act is derived, to a large extent, from the older Companies Acts of England and Wales but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Cayman Companies Act and the current Companies Act of England and Wales. In addition, the Cayman Companies Act differs from laws applicable to United States corporations and their shareholders.

### *Mergers and Similar Arrangements*

The Cayman Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property, and liabilities in one of such companies as the surviving company, and (b) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The plan must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company, and an undertaking that a copy of the certificate of merger or consolidation will be given to the shareholders and creditors of each constituent

company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman Islands parent company and its Cayman Islands subsidiary or subsidiaries does not require authorization by a resolution of shareholders. For this purpose, a subsidiary is a company of which at least 90% of the issued shares entitled to vote are owned by the parent company.



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The consent of each holder of a fixed or floating security interest of a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Except in certain limited circumstances, a dissenting shareholder of a Cayman Islands constituent company is entitled to payment of the fair value of his or her shares upon dissenting from a merger or consolidation. The exercise of such dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, except for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must, in addition, represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- (a) the statutory provisions as to the required majority vote have been met;
- (b) the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- (c) the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- (d) the arrangement is not one that would more properly be sanctioned under some other provision of the Cayman Companies Act.

When a takeover offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a takeover offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders, providing rights to receive payment in cash for the judicially determined value of the shares.

### *Shareholders' Suits*

In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule, a derivative action may not be brought by a minority shareholder. However, based on English law authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge:

- (a) an act which is illegal or ultra vires with respect to the company and is therefore incapable of ratification by the shareholders;
- (b) an act which, although not ultra vires, requires authorization by a qualified (or special) majority (that is, more than a simple majority) which has not been obtained; and
- (c) an act which constitutes a "fraud on the minority" where the wrongdoers are themselves in control of the company.



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### *Indemnification of Directors and Executive Officers and Limitation of Liability*

The Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our articles of association provide the directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives shall be entitled to be indemnified and held harmless out of the assets of the Company against all actions, proceedings, costs, charges, damages, expenses (including reasonable legal and/or accountancy fees), claims, losses or liabilities which he may sustain or incur by reason of any act done or omitted in or about the execution of the duties of his office or trust or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted, and no Director or person as aforementioned shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or trust or in relation thereto provided that he acted in good faith and in a manner reasonably believed by him (in the case of a Director) to be in the best interests of the Company and provided further that his actions did not involve negligence, willful default, fraud or dishonesty.

To the extent permitted by law, we may make a payment, or agree to make a payment, whether by way of advance, loan, or otherwise, for any legal costs incurred by an existing or former director (including alternate director), secretary, or any of our officers in respect of any matter identified in above on condition that the director (including alternate director), secretary, or officer must repay the amount paid by us to the extent that it is ultimately found not liable to indemnify the director (including alternate director), the secretary, or that officer for those legal costs.

### *Anti-Takeover Provisions in Our Articles*

Some provisions of our articles of association may discourage, delay, or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue shares at such times and on such terms and conditions as the board of directors may decide without any further vote or action by our shareholders.

Under the Cayman Companies Act, our directors may only exercise the rights and powers granted to them under our articles of association for what they believe in good faith to be in the best interests of our company and for a proper purpose.

### *Directors' Fiduciary Duties*

As a matter of Cayman Islands law, a director owes three types of duties to the company: (i) statutory duties, (ii) fiduciary duties, and (iii) common law duties. The Cayman Companies Act imposes a number of statutory duties on a director. A Cayman Islands director's fiduciary duties are not codified, however the courts of the Cayman Islands have held that a director owes the following fiduciary duties (a) a duty to act in what the director bona fide considers to be in the best interests of the company, (b) a duty to exercise their powers for the purposes they were conferred, (c) a duty to avoid fettering his or her discretion in the future, and (d) a duty to avoid conflicts of interest and of duty. The common law duties owed by a director are those to act with skill, care, and diligence that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and, also, to act with the skill, care, and diligence in keeping with a standard of care commensurate with any particular skill they have which enables them to meet a higher standard than a director without those skills. In fulfilling their duty of care to us, our directors must ensure compliance with our articles of association, as amended and restated from time to time. We have the right to seek damages if a duty owed by any of our directors is breached.

### *Shareholder Proposals*

The Cayman Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our articles of association provide that the Directors

shall on the requisition of shareholders of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings

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of the Company, proceed to convene a general meeting of the Company. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company. If the Directors do not proceed to convene a general meeting within twenty one days from the date of such requisition being left as aforesaid, the requisitionists or any of them or any other member or members holding in the aggregate not less than one tenth of such paid-up capital of the Company which, as at the date of the requisition, carries the right of voting at general meetings, may convene an extraordinary general meeting to be held at such place and time as they shall appoint, subject to the articles of association as to notice. Any such meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty one days.

### *Cumulative Voting*

As permitted under the Cayman Companies Act, our articles of association do not provide for cumulative voting.

### *Removal of Directors*

Subject to the provisions of our articles of association (which include the removal of a director by ordinary resolution), the office of a director may be terminated forthwith if (a) he dies, (b) he becomes bankrupt or makes an arrangement or composition with his creditors generally, (c) he resigns his office by notice to us, (d) he only held office as a director for a fixed term and such term expires, (e) in the opinion of a registered medical practitioner by whom he is being treated he becomes physically or mentally incapable of acting as a director, (f) he is made subject to any law relating to mental health or incompetence, whether by court order or otherwise, (g) is prohibited by the laws of the Cayman Islands from acting as a Director, (h) without the consent of the other directors, he is absent from meetings of directors for three consecutive meetings of the board of directors without special leave of absence from the directors, and they pass a resolution that he has by reason of such absence vacated office, (i) he is required to resign in accordance with the Company's corporate governance policy (as amended from time to time)

### *Transactions with Interested Shareholders*

The Cayman Companies Act has no comparable statute regarding the above. As a result, we cannot avail ourselves of the types of protections afforded by the other business combination statutes. However, although the Cayman Companies Act does not regulate transactions between a company and its significant shareholders, under Cayman Islands law such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

### *Dissolution; Winding Up*

Under the Cayman Companies Act and our articles of association, the Company may be wound up by a special resolution of our shareholders, or if the winding up is initiated by our board of directors, by either a special resolution of our members or, if our company is unable to pay its debts as they fall due, by an ordinary resolution of our members. In addition, a company may be wound up by an order of the courts of the Cayman Islands. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

### *Variation of Rights of Shares*

Under the Cayman Companies Act and our articles of association, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class.

### *Amendment of Governing Documents*

Under the Cayman Companies Act, our articles of association may only be amended by special resolution of our shareholders.



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### **Anti-money Laundering — Cayman Islands**

In order to comply with legislation or regulations aimed at the prevention of money laundering, we may be required to adopt and maintain anti-money laundering procedures and may require subscribers to provide evidence to verify their identity. Where permitted, and subject to certain conditions, we may also delegate the maintenance of our anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

We reserve the right to request such information as is necessary to verify the identity of a subscriber. In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, we may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

We also reserve the right to refuse to make any redemption payment to a shareholder if our directors or officers suspect or are advised that the payment of redemption proceeds to such shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure our compliance with any such laws or regulations in any applicable jurisdiction.

If any person resident in the Cayman Islands knows or suspects or has reason for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of their business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) a nominated officer (appointed in accordance with the Proceeds of Crime Act (Revised) of the Cayman Islands) or the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Act (Revised), if the disclosure relates to criminal conduct or money laundering or (ii) to a police constable or a nominated officer (pursuant to the Terrorism Act (Revised) of the Cayman Islands) or the Financial Reporting Authority, pursuant to the Terrorism Act (Revised), if the disclosure relates to involvement with terrorism or terrorist financing and terrorist property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

### **Data Protection in the Cayman Islands — Privacy Notice**

This privacy notice explains the manner in which we collect, process, and maintain personal data about investors of the Company pursuant to the Data Protection Act, 2021 of the Cayman Islands, as amended from time to time and any regulations, codes of practice, or orders promulgated pursuant thereto (the “DPL”).

We are committed to processing personal data in accordance with the DPL. In our use of personal data, we will be characterized under the DPL as a “data controller,” whilst certain of our service providers, affiliates, and delegates may act as “data processors” under the DPL. These service providers may process personal information for their own lawful purposes in connection with services provided to us.

By virtue of your investment in the Company, we and certain of our service providers may collect, record, store, transfer, and otherwise process personal data by which individuals may be directly or indirectly identified.

Your personal data will be processed fairly and for lawful purposes, including (a) where the processing is necessary for us to perform a contract to which you are a party or for taking pre-contractual steps at your request, (b) where the processing is necessary for compliance with any legal, tax, or regulatory obligation to which we are subject, or (c) where the processing is for the purposes of legitimate interests pursued by us or by a service provider to whom the data are disclosed. As a data controller, we will only use your personal data for the purposes for which we collected it. If we need to use your personal data for an unrelated purpose, we will contact you.

We anticipate that we will share your personal data with our service providers for the purposes set out in this privacy notice. We may also share relevant personal data where it is lawful to do so and necessary to comply with our contractual obligations or your instructions or where it is necessary or desirable to do so in connection with any regulatory reporting obligations. In exceptional circumstances, we will share your personal data with regulatory, prosecuting, and other governmental agencies or departments, and parties to litigation (whether

pending or threatened), in any country or territory including to any other person where we have a public or legal duty to do so (e.g. to assist with detecting and preventing fraud, tax evasion, and financial crime or compliance with a court order).



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Your personal data shall not be held by the Company for longer than necessary with regard to the purposes of the data processing.

We will not sell your personal data. Any transfer of personal data outside of the Cayman Islands shall be in accordance with the requirements of the DPA. Where necessary, we will ensure that separate and appropriate legal agreements are put in place with the recipient of that data. The Company will only transfer personal data in accordance with the requirements of the DPA, and will apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of the personal data and against the accidental loss, destruction or damage to the personal data.

In our use of this personal data, we will be characterized as a “data controller” for the purposes of the DPA, while our affiliates and service providers who may receive this personal data from us in the conduct of our activities may either act as our “data processors” for the purposes of the DPA or may process personal information for their own lawful purposes in connection with services provided to us.

We may also obtain personal data from other public sources. Personal data includes, without limitation, the following information relating to a shareholder and/or any individuals connected with a shareholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the shareholder’s investment activity.

We will only transfer personal data in accordance with the requirements of the DPL and will apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of the personal data and against the accidental loss, destruction, or damage to the personal data.

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides us with personal data on individuals connected to you for any reason in relation to your investment into the Company, this will be relevant for those individuals and you should inform such individuals of the content.

You have certain rights under the DPL, including (a) the right to be informed as to how we collect and use your personal data (and this privacy notice fulfils our obligation in this respect), (b) the right to obtain a copy of your personal data, (c) the right to require us to stop direct marketing, (d) the right to have inaccurate or incomplete personal data corrected, (e) the right to withdraw your consent and require us to stop processing or restrict the processing, or not begin the processing of your personal data, (f) the right to be notified of a data breach (unless the breach is unlikely to be prejudicial), (g) the right to obtain information as to any countries or territories outside the Cayman Islands to which we, whether directly or indirectly, transfer, intend to transfer, or wish to transfer your personal data, general measures we take to ensure the security of personal data, and any information available to us as to the source of your personal data, (h) the right to complain to the Office of the Ombudsman of the Cayman Islands, and (i) the right to require us to delete your personal data in some limited circumstances.

If you consider that your personal data has not been handled correctly, or you are not satisfied with our responses to any requests you have made regarding the use of your personal data, you have the right to complain to the Cayman Islands’ Ombudsman. The Ombudsman can be contacted by calling +1 (345) 946-6283 or by email at [info@ombudsman.ky](mailto:info@ombudsman.ky).

## MATERIAL INCOME TAX CONSIDERATION

### Material United States Federal Income Tax Considerations

The following is a discussion of material United States federal income tax considerations relating to the acquisition, ownership, and disposition of our Ordinary Shares by a U.S. Holder, as defined below, that acquires our Ordinary Shares in this offering and holds our Ordinary Shares as “capital assets” (generally, property held for investment) under the United States Internal Revenue Code of 1986, as amended (the “Code”). This discussion is based on existing United States federal income tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to any United States federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address all aspects of United States federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (such as, for example, certain financial institutions, insurance companies, regulated investment companies, real estate investment trusts, broker-dealers, traders in securities that elect mark-to-market treatment, partnerships (or other entities treated as partnerships for United States federal income tax purposes) and their partners, tax-exempt organizations (including private foundations)), investors who are not U.S. Holders, investors that own (directly, indirectly, or constructively) 5% or more of our voting shares, investors that hold their Ordinary Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction), or investors that have a functional currency other than the U.S. dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this discussion does not address any tax laws other than the United States federal income tax laws, including any state, local, alternative minimum tax or non-United States tax considerations, or the Medicare tax on unearned income. Each potential investor is urged to consult its tax advisor regarding the United States federal, state, local and non-United States income and other tax considerations of an investment in our Ordinary Shares.

### U.S. Federal Income Taxation

The following does not address the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- persons that elect to mark their securities to market;
- U.S. expatriates or former long-term residents of the U.S.;
- governments or agencies or instrumentalities thereof;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- persons holding our Ordinary Shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our voting power or value (including by reason of owning our Ordinary Shares);

- persons who acquired our Ordinary Shares pursuant to the exercise of any employee share option or otherwise as compensation;

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- persons holding our Ordinary Shares through partnerships or other pass-through entities;
- beneficiaries of a Trust holding our Ordinary Shares; or
- persons holding our Ordinary Shares through a Trust.

Thus, the discussion set forth below is addressed only to U.S. Holders that purchase Ordinary Shares in this offering. Prospective purchasers are urged to consult their own tax advisors about the application of the U.S. federal income tax rules to their particular circumstances as well as the state, local, foreign and other tax consequences to them of the purchase, ownership and disposition of our Ordinary Shares.

### **General**

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of our Ordinary Shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person under the Code.

The brief description below of the U.S. federal income tax consequences to “U.S. Holders” will apply to you if you are a beneficial owner of Ordinary Shares and you are, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) is a beneficial owner of our Ordinary Shares, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partnership. Partnerships and partners of a partnership holding our Ordinary Shares are urged to consult their tax advisors regarding an investment in our Ordinary Shares.

An individual is considered a resident of the U.S. for federal income tax purposes if he or she meets either the “Green Card Test” or the “Substantial Presence Test” described as follows:

The Green Card Test: You are a lawful permanent resident of the United States, at any time, if you have been given the privilege, according to the immigration laws of the United States, of residing permanently in the United States as an immigrant. You generally have this status if the U.S. Citizenship and Immigration Services issued you an alien registration card, Form I-551, also known as a “green card.”

The Substantial Presence Test: If an alien is present in the United States on at least 31 days of the current calendar year, he or she will (absent an applicable exception) be classified as a resident alien if the sum of the following equals 183 days or more (*See* §7701(b)(3)(A) of the Internal Revenue Code and related Treasury Regulations):

1. The actual days in the United States in the current year; plus
2. One-third of his or her days in the United States in the immediately preceding year; plus
3. One-sixth of his or her days in the United States in the second preceding year.



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The discussion set forth below is addressed only to U.S. Holders that purchase Ordinary Shares in this offering. Prospective purchasers are urged to consult their own tax advisors about the application of U.S. federal income tax law to their particular circumstances as well as the state, local, foreign and other tax consequences to them of the purchase, ownership and disposition of our Ordinary Shares.

### ***Taxation of Dividends and Other Distributions on our Ordinary Shares***

Subject to the passive foreign investment company rules discussed below, distributions of cash or other property made by us to you with respect to the Ordinary Shares (including the amount of any taxes withheld therefrom) will generally be includable in your gross income as dividend income on the date of receipt by you, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). With respect to corporate U.S. Holders, the dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to qualified dividend income, provided that (1) the Ordinary Shares are readily tradable on an established securities market in the United States, or we are eligible for the benefits of an approved qualifying income tax treaty with the United States that includes an exchange of information program, (2) we are not a passive foreign investment company (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, and (3) certain holding period requirements are met. You are urged to consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to our Ordinary Shares, including the effects of any change in law after the date of this prospectus.

To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), it will be treated first as a tax-free return of your tax basis in your Ordinary Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

### ***Taxation of Dispositions of Ordinary Shares***

Subject to the passive foreign investment company rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of a share equal to the difference between the amount realized (in U.S. dollars) for the share and your tax basis (in U.S. dollars) in the Ordinary Shares. The gain or loss will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, who has held the Ordinary Shares for more than one year, you may be eligible for reduced tax rates on any such capital gains. The deductibility of capital losses is subject to limitations.

### ***Passive Foreign Investment Company***

A non-U.S. corporation is considered a PFIC for any taxable year if either:

- at least 75% of its gross income for such taxable year is passive income; or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the “asset test”).

Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock. In determining the value and composition of our assets for purposes of the PFIC asset test, (1) the cash we raise in this offering will generally be considered to be held for the production of passive income and (2) the value of our assets must be

determined based on the market value of our Ordinary Shares from time to time, which could cause the value of our non-passive assets to be less than 50% of the value of all of our assets (including the cash raised in this offering) on any particular quarterly testing date for purposes of the asset test.

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Based on our operations and the composition of our assets we do not expect to be treated as a PFIC under the current PFIC rules. We must make a separate determination each year as to whether we are a PFIC. Depending on the amount of cash we raise in this offering, together with any other assets held for the production of passive income, it is possible that, for our current taxable year or for any subsequent taxable year, more than 50% of our assets may be assets held for the production of passive income. We will make this determination following the end of any particular tax year. Although the law in this regard is unclear, we treat our consolidated affiliated entities as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their operating results in our combined and consolidated financial statements. In particular, because the value of our assets for purposes of the asset test will generally be determined based on the market price of our Ordinary Shares and because cash is generally considered to be an asset held for the production of passive income, our PFIC status will depend in large part on the market price of our Ordinary Shares and the amount of cash we raise in this offering. Accordingly, fluctuations in the market price of the Ordinary Shares may cause us to become a PFIC. In addition, the application of the PFIC rules is subject to uncertainty in several respects and the composition of our income and assets will be affected by how, and how quickly, we spend the cash we raise in this offering. We are under no obligation to take steps to reduce the risk of our being classified as a PFIC, and as stated above, the determination of the value of our assets will depend upon material facts (including the market price of our Ordinary Shares from time to time and the amount of cash we raise in this offering) that may not be within our control. If we are a PFIC for any year during which you hold Ordinary Shares, we will continue to be treated as a PFIC for all succeeding years during which you hold Ordinary Shares. However, if we cease to be a PFIC and you did not previously make a timely “mark-to-market” election as described below, you may avoid some of the adverse effects of the PFIC regime by making a “purging election” (as described below) with respect to the Ordinary Shares.

If we are a PFIC for your taxable year(s) during which you hold Ordinary Shares, you will be subject to special tax rules with respect to any “excess distribution” that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Ordinary Shares, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Ordinary Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Ordinary Shares;
- the amount allocated to your current taxable year, and any amount allocated to any of your taxable year(s) prior to the first taxable year in which we were a PFIC, will be treated as ordinary income; and
- the amount allocated to each of your other taxable year(s) will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Ordinary Shares cannot be treated as capital, even if you hold the Ordinary Shares as capital assets.

A U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the tax treatment discussed above. If you make a mark-to-market election for the first taxable year during which you hold (or are deemed to hold) Ordinary Shares and for which we are determined to be a PFIC, you will include in your income each year an amount equal to the excess, if any, of the fair market value of the Ordinary Shares as of the close of such taxable year over your adjusted basis in such Ordinary Shares, which excess will be treated as ordinary income and not capital gain. You are allowed an ordinary loss for the excess, if any, of the adjusted basis of the Ordinary Shares over their fair market value as of the close of the taxable year. However, such ordinary loss is allowable only to the extent of any net mark-to-market gains on the Ordinary Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Ordinary Shares, are treated as ordinary income. Ordinary loss treatment also applies to any loss realized on the actual sale or disposition of



the Ordinary Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Ordinary Shares. Your basis in the Ordinary Shares will be adjusted to reflect any such income or loss amounts. If you make a valid

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mark-to-market election, the tax rules that apply to distributions by corporations which are not PFICs would apply to distributions by us, except that the lower applicable capital gains rate for qualified dividend income discussed above under “— Taxation of Dividends and Other Distributions on our Ordinary Shares” generally would not apply.

The mark-to-market election is available only for “marketable stock”, which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market (as defined in applicable U.S. Treasury regulations). If the Ordinary Shares are regularly traded on a qualified stock exchange or other market, and if you are a holder of Ordinary Shares, the mark-to-market election would be available to you were we to be or become a PFIC.

Alternatively, a U.S. Holder of stock in a PFIC may make a “qualified electing fund” election with respect to such PFIC to elect out of the tax treatment discussed above. A U.S. Holder who makes a valid qualified electing fund election with respect to a PFIC will generally include in gross income for a taxable year such holder’s pro rata share of the corporation’s earnings and profits for the taxable year. However, the qualified electing fund election is available only if such PFIC provides such U.S. Holder with certain information regarding its earnings and profits as required under applicable U.S. Treasury regulations. We do not currently intend to prepare or provide the information that would enable you to make a qualified electing fund election. If you hold Ordinary Shares in any taxable year in which we are a PFIC, you will be required to file IRS Form 8621 in each such year and provide certain annual information regarding such Ordinary Shares, including regarding distributions received on the Ordinary Shares and any gain realized on the disposition of the Ordinary Shares.

If you do not make a timely “mark-to-market” election (as described above), and if we were a PFIC at any time during the period you hold our Ordinary Shares, then such Ordinary Shares will continue to be treated as stock of a PFIC with respect to you even if we cease to be a PFIC in a future year, unless you make a “purging election” for the year we cease to be a PFIC. A “purging election” creates a deemed sale of such Ordinary Shares at their fair market value on the last day of the last year in which we are treated as a PFIC. The gain recognized by the purging election will be subject to the special tax and interest charge rules treating the gain as an excess distribution, as described above. As a result of the purging election, you will have a new basis (equal to the fair market value of the Ordinary Shares on the last day of the last year in which we are treated as a PFIC) and holding period (which new holding period will begin the day after such last day) in your Ordinary Shares for tax purposes.

IRC Section 1014(a) provides for a step-up in basis to the fair market value for our Ordinary Shares when inherited from a decedent that was previously a holder of our Ordinary Shares. However, if we are determined to be a PFIC and a decedent that was a U.S. Holder did not make either a timely qualified electing fund election for our first taxable year as a PFIC in which the U.S. Holder held (or was deemed to hold) our Ordinary Shares, or a mark-to-market election and ownership of those Ordinary Shares are inherited, a special provision in IRC Section 1291(e) provides that the new U.S. Holder’s basis should be reduced by an amount equal to the Section 1014 basis minus the decedent’s adjusted basis just before death. As such if we are determined to be a PFIC at any time prior to a decedent’s passing, the PFIC rules will cause any new U.S. Holder that inherits our Ordinary Shares from a U.S. Holder to not get a step-up in basis under Section 1014 and instead will receive a carryover basis in those Ordinary Shares.

You are urged to consult your tax advisors regarding the application of the PFIC rules to your investment in our Ordinary Shares and the elections discussed above.

### ***Information Reporting and Backup Withholding***

Dividend payments with respect to our Ordinary Shares and proceeds from the sale, exchange or redemption of our Ordinary Shares may be subject to information reporting to the IRS and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification on IRS Form W-9 or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on IRS Form W-9. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

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We do not intend to withhold taxes for individual shareholders. However, transactions effected through certain brokers or other intermediaries may be subject to withholding taxes (including backup withholding), and such brokers or intermediaries may be required by law to withhold such taxes.

Under the Hiring Incentives to Restore Employment Act of 2010, certain U.S. Holders are required to report information relating to our Ordinary Shares, subject to certain exceptions (including an exception for Ordinary Shares held in accounts maintained by certain financial institutions), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold Ordinary Shares. Failure to report such information could result in substantial penalties. You should consult your own tax advisor regarding your obligation to file a Form 8938.

### **Cayman Islands Taxation**

The following is a discussion on Cayman Islands income tax consequences of an investment in the Ordinary Shares. The discussion is a general summary of the present law, which is subject to prospective and retroactive changes. It is not intended as tax advice, it does not consider any investor's particular circumstances, and it does not consider tax consequences other than those arising under Cayman Islands law.

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. No stamp duty is payable in the Cayman Islands on the issue of shares by, or any transfers of shares of, Cayman Islands companies (except those which hold interests in land in the Cayman Islands). There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our Ordinary Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our Ordinary Shares or, as the case may be, nor will gains derived from the disposal of our Ordinary Shares be subject to Cayman Islands income or corporation tax.

**POTENTIAL PURCHASERS OF OUR ORDINARY SHARES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. INCOME, GIFT, ESTATE OR GENERATION-SKIPPING TRANSFER, AND OTHER TAX AND TAX TREATY CONSIDERATIONS OF PURCHASING, OWNING AND DISPOSING OF OUR ORDINARY SHARES.**

## ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We incorporated under the laws of the Cayman Islands because of certain benefits associated with being a Cayman Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions, and the availability of professional and support services. The Cayman Islands, however, has a less developed body of securities laws as compared to the U.S. and provides significantly less protection for investors than the U.S. Additionally, Cayman Islands companies may not have standing to sue in the federal courts of the U.S.

Most of our operations are conducted in Malaysia and a majority of our consolidated assets are located outside of the United States. In addition, all of our directors and officers as listed below, are nationals or residents of countries other than the United States, and all or a substantial portion of their assets are located outside the U.S.

<b>Name</b>	<b>Position</b>	<b>Nationality</b>	<b>Country of Residence</b>
Hoo Wei Sern	CEO, Director	Malaysia	Malaysia
Ng Kai Tie	CFO	Malaysia	Malaysia
Long Jia Kwang	Independent Director	Malaysia	Singapore
Tse Yin Sum	Independent Director	Hong Kong	Hong Kong
Lai Yee Yee	Independent Director	Malaysia	Malaysia

As a result, it may not be possible for you to:

- effect service of process within the United States upon our non-U.S. resident directors or on us;
- enforce in U.S. courts judgments obtained against our non-U.S. resident directors or us in the U.S. courts in any action, including actions under the civil liability provisions of U.S. securities laws; and
- enforce in U.S. courts judgments obtained against our non-U.S. resident directors or us in courts of jurisdictions outside the United States in any action, including actions under the civil liability provisions of U.S. securities laws.

Although we are incorporated outside the United States, we have appointed Cogency Global Inc., 122 E. 42<sup>nd</sup> Street, 18<sup>th</sup> Floor, New York, New York 10168 as our agent to receive service of process with respect to any action brought against us in the United States District Court for the Southern District of New York under the U.S. federal securities laws or securities laws of any U.S. state or any action brought against us in the Supreme Court of the State of New York in the County of New York under the securities laws of the State of New York.

Forbes Hare, our counsel with respect to the laws of the Cayman Islands, and Enolil Loo, our counsel with respect to Malaysian law, have advised us that there is uncertainty as to whether the courts of the Cayman Islands or Malaysia would (i) recognize or enforce judgments of U.S. courts obtained against us or our directors or officers predicated upon the civil liability provisions of the U.S. federal securities laws or securities laws of any U.S. state or (ii) entertain original actions brought in the Cayman Islands or Malaysia against us or our directors or officers predicated upon the U.S. federal securities laws or securities laws of any U.S. state.

Forbes Hare has further advised us that there is currently no statutory enforcement or treaty between the U.S. and the Cayman Islands providing for enforcement of judgments. A judgment obtained in the U.S., however, may be recognized and enforced in the courts of the Cayman Islands at ordinary law, without any re-examination on the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment: (i) is given by a foreign court of competent jurisdiction; (ii) is final; (iii) is not in respect of taxes, a fine or a penalty; and (iv) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or public policy of the Cayman Islands. Furthermore, it is uncertain that Cayman Islands courts would enforce: (i) judgments of U.S. courts obtained in actions against us or other persons that are predicated upon the civil liability provisions of the U.S. federal securities laws; or (ii) original actions brought against us or other persons predicated upon the Securities Act. Forbes Hare has also

informed us that there is uncertainty with regard to Cayman Islands law relating to whether a judgment obtained from the U.S. courts under civil liability provisions of the securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature.

These constraints may impact both the cost and time associated with legal proceedings in the Cayman Islands. On the point of cost constraints, investors could face additional legal expenses (including hiring local attorneys, travel costs for attending court proceedings, and other administrative charges). On the point of time constraint, investors may face time constraints due to legal delays, appeals, and the complexity of cases of pursuing such enforcement in the Cayman Islands.

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### **Hong Kong**

A judgment from the United States courts will not be directly enforced in Hong Kong. There are currently no treaties or other arrangements providing for reciprocal enforcement of foreign judgments between Hong Kong and the United States. However, the common law permits an action to be brought upon a foreign judgment. That is to say, a foreign judgment itself may form the basis of a cause of action since the judgment may be regarded as creating a debt between the parties to it. In a common law action for enforcement of a foreign judgment in Hong Kong, the enforcement is subject to various conditions, including but not limited to, that the foreign judgment is a final judgment conclusive upon the merits of the claim, the judgment is for a liquidated amount in a civil matter and not in respect of taxes, fines, penalties, or similar charges, the proceedings in which the judgment was obtained were not contrary to natural justice, and the enforcement of the judgment is not contrary to public policy of Hong Kong. Such a judgment must be for a fixed sum and must also come from a “competent” court as determined by the private international law rules applied by the Hong Kong courts. The defenses that are available to a defendant in a common law action brought on the basis of a foreign judgment include lack of jurisdiction, breach of natural justice, fraud, and contrary to public policy. However, a separate legal action for debt must be commenced in Hong Kong in order to recover such debt from the judgment debtor. These constraints may impact both the cost and time associated with legal proceedings in Hong Kong. On the point of cost constraints, investors could face additional legal expenses (including hiring local attorneys and translators), travel costs for attending court proceedings, and other administrative charges. On the point of time constraint, investors may face time constraints due to legal delays, appeals, and the complexity of cases of pursuing such enforcement in Hong Kong.

### **Malaysia**

There is an element of uncertainty regarding the recognition or enforcement of judgments obtained against us, our directors, or officers by United States courts, based on the civil liability provisions of US securities laws or state laws. There is currently no statutory enforcement or treaty between the US and Malaysia providing for reciprocal recognition and enforcement of judgments of U.S. courts.

Be it as it may, the Reciprocal Enforcement of Judgments Act 1958 of Malaysia (“REJA”) allows for the enforcement of judgments from specific Commonwealth countries listed in the First Schedule of REJA. These countries include the United Kingdom, Hong Kong, Singapore, New Zealand, Republic of Sri Lanka, India, and Brunei, referred to as “reciprocating countries.” When a foreign judgment from a reciprocating country is presented before a Malaysian court for enforcement, it can be registered under section 4(1) of REJA. Once registered, the foreign judgment, if it meets certain criteria (such as being a civil judgment for an outstanding monetary sum that is enforceable in the original country’s court), can be enforced in Malaysia. The registered foreign judgment holds the same legal weight and authority as a judgment issued by a Malaysian court.

Foreign judgments obtained in countries not listed in the First Schedule to REJA may still be recognised and enforced in the courts of Malaysia through principles for the recognition of foreign judgments under common law. The common law rules applicable have been adopted into Malaysian jurisprudence by virtue of Section 3 of the Civil Law Act, 1956. Therefore, a judgment issued in the United States may still be enforced in Malaysia under Malaysian common law principles. However, there are specific conditions that must be met for these foreign judgments to be enforceable. These conditions include the following:-

- (a) The judgment is for a definite sum, and which is final and conclusive;
- (b) The original court granting the judgment had jurisdiction in the action;
- (c) The judgment was not obtained by fraud;
- (d) The proceedings in which the judgment was obtained were not contrary to natural justice; and
- (e) The enforcement of the judgment would not be contrary to public policy in Malaysia.

These constraints may impact both the cost and time associated with legal proceedings in Malaysia. On the point of cost constraints, investors could face additional legal expenses (including hiring local attorneys and

translators), travel costs for attending court proceedings, and other administrative charges. On the point of time constraint, investors may face time constraints due to legal delays, appeals, and the complexity of cases of pursuing such enforcement in Malaysia.



## UNDERWRITING

Subject to the terms and conditions of the underwriting agreement, the underwriters named below for whom EF Hutton LLC is acting as the representative (the “Representative”) have severally agreed to purchase from us on a firm commitment basis the following respective number of Ordinary Shares at the public price less the underwriting discounts set forth on the cover page of this prospectus.

<b>Underwriters</b>	<b>Number of Shares</b>
EF Hutton LLC	1,250,000
Total	1,250,000

The underwriters are offering the Ordinary Shares subject to their acceptance of the Ordinary Shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the Ordinary Shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to take and pay for all of the Ordinary Shares offered by this offering (other than those covered by the over-allotment option described below) if any of the Ordinary Shares are taken by them. Ordinary Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover page of this prospectus. Any Ordinary Shares sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed \$\_\_\_\_\_ per share. If all of the shares are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms. The Representatives have advised us that the underwriters do not intend to make sales to discretionary accounts.

If the underwriters sell more Ordinary Shares than the total number set forth in the table above, we have granted to the underwriters an option, exercisable for 45 days from the closing of this offering, to purchase up to additional Ordinary Shares at the initial public offering price less the underwriting discount, based on the initial public offering price of \$\_\_\_\_\_ per Ordinary Share. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter’s initial purchase commitment. Any Ordinary Shares issued or sold under the option will be issued and sold on the same terms and conditions as the other Ordinary Shares that are the subject of this offering.

In connection with the offering, the underwriters may purchase and sell shares in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the over-allotment option, and stabilizing purchases.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Ordinary Shares. They may also cause the price of the Ordinary Shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

### **Fees, Commissions and Expense Reimbursement**

We have agreed to pay the underwriters a fee equal to seven percent (7%) of the gross proceeds of the offering. The underwriters propose initially to offer the Ordinary Shares to the public at the offering price set forth on the cover page of this prospectus and to dealers at those prices less the aforesaid fee (“underwriting discount”) set forth on the cover page of this prospectus. If all of the Ordinary Shares offered by us are not sold at the offering price, the underwriters may change the offering price and other selling terms by means of a supplement to this prospectus.

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The following table shows the underwriting fees/commission payable to the underwriters, assuming an initial public offering price of \$4.00 per Ordinary Share (which is the low end of the estimated range of the initial public offering price shown on the cover page of this prospectus):

	<b>Per Ordinary Share</b>	<b>Total Without Over-Allotment Option</b>	<b>Total With Full Over-Allotment Option</b>
Public offering price	\$	\$	\$
Underwriting fees and commissions (7.0%)	\$	\$	\$
Non-accountable expense allowance (1.0%)	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

In addition, we have agreed to pay to the Representative certain accountable out-of-pocket expenses related to the offering not to exceed the total amount of \$160,000. Such accountable out-of-pocket expenses include Representative's legal counsel fees, due diligence, and road show fees and expenses. We have paid the Representative an expense advance of \$50,000 upon signing of the engagement agreement (the "Cash Advance"). Any portion of the Cash Advance not applied to out of pocket accountable expenses incurred by the Representative shall be returned back to us in accordance with FINRA Rule 5110(f)(2)(C).

### **Tail Financing**

The Representative shall be entitled to a cash fee equal to seven percent (7.0%) of the gross proceeds received by the Company from the sale of any equity, debt and/or equity derivative instruments to any investor actually introduced to the Company by the Representative during the Engagement Period (as hereinafter defined) in connection with any public or private financing or capital raise (each, a "Tail Financing") and such Tail Financing is consummated at any time during the Engagement Period or within the eighteen (18) month period following the expiration or termination of the Engagement Period provided that such Tail Financing is by a party actually introduced to us in an offering in which the Company has direct knowledge of such party's participation. "Engagement Period" means the period beginning on July 3, 2024 and ending on the earlier to occur of (i) July 3, 2025 and (ii) the final closing of this offering; provided, however, that no fee shall be paid to the Representative in connection with a Tail Financing if the Engagement Letter dated as of July 3, 2024 between the Representative and the Company (the "Engagement Agreement") is terminated by the Company for "Cause", as defined in the Engagement Agreement. For purposes of the Engagement Agreement "Cause" means (i) general incompetence or non-performance, (ii) failure to fulfill a party's obligations under the Engagement Agreement, including the performance of the services in a manner that is reasonably acceptable to the other party, (iii) gross negligence or willful misconduct or (iv) a party is legally unable to perform its obligations under the Engagement Agreement.

### **Right of First Refusal**

We have agreed to grant the Representative, for the eighteen (18) month period following the closing of this offering, an irrevocable right of first refusal to act as sole investment banker, sole book runner and/or sole placement agent, for each and every future public and private equity and debt offering, including but not limited to all equity-linked offerings (a "Subject Transaction") during such eighteen (18) month period by us, or any successor to or any subsidiary of our company on terms customary to the Representative for such transaction. The Representative shall have the sole right to determine whether any other broker dealer shall have the right to participate in a Subject Transaction and the economic terms of such participation.

### **Restrictions on Sale of Securities**

The Company has agreed in the underwriting agreement that, for a period of 180 days from the closing of this offering, it shall not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly any shares of capital stock of the Company or any securities convertible into or exercisable

or exchangeable for shares of capital stock of the Company; (ii) file or caused to be filed any registration statement with the Securities and Exchange Commission relating to the offering of any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (iii) complete any offering of debt securities of the Company, other than entering into a line of credit with a traditional bank; or (iv) enter into any swap or other

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arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of the Company, whether any such transaction described in clause (i), (ii), (iii) or (iv) above is to be settled by delivery of shares of capital stock of the Company or such other securities, in cash or otherwise.

### **Lock-Up Agreements**

In addition, each of our directors, officers and our existing shareholders prior to the offering have agreed that for a period of 180 days from the commencement of our first day of the public sale of its Ordinary Shares (the “Lock-Up Period”), subject to certain exceptions, not to directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares, or Ordinary Shares of the Company or any securities convertible into or exercisable or exchangeable for Ordinary Shares or Ordinary Shares of the Company, whether now owned or hereafter acquired by such person or with respect to which such person has or hereafter acquires the power of disposition; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities; (iii) make any demand for or exercise any right with respect to the registration of any such securities; or (iv) publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement relating to any such securities.

### **Pricing of this Offering**

Prior to this offering, there has been no public market for our Ordinary Shares. The initial public offering price of our Ordinary Shares will be determined through negotiations between us and the Representative. The factors to be considered in these negotiations include prevailing market conditions, our financial information, market valuations of other companies that we and the Representative believe to be comparable to us, estimate of our business potential and earning prospects, the present state of our development and other factors deemed relevant. The initial public offering price of our Ordinary Shares in this offering does not necessarily bear any direct relationship to the assets, operations, book or other established criteria of value of our Company.

Based on the above valuation factors and the number of Ordinary Shares outstanding, our initial public offering price is \$ \_\_\_\_\_ per Ordinary Share for this offering.

An active trading market for our Ordinary Shares may not develop. It is possible that after this offering of Ordinary Shares will not trade in the public market at or above the initial public offering price.

### **Potential Conflicts of Interest**

The underwriters and their affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of our Company. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Price Stabilization, Short Positions and Penalty Bids**

To facilitate this offering, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our Ordinary Shares during and after the offering. Specifically, the underwriters may over-allot or otherwise create a short position in our Ordinary Shares for their own account by selling more Ordinary Shares than we have sold to the underwriters. The underwriters may close out any short position by either exercising its option to purchase additional shares or purchasing shares in the open market.

In addition, the underwriters may stabilize or maintain the price of our Ordinary Shares by bidding for or purchasing shares or warrants in the open market and may impose penalty bids. If penalty bids are imposed,

selling concessions allowed to broker- dealers participating in this offering are reclaimed if shares previously distributed in this offering are repurchased, whether in connection with stabilization transactions or otherwise. The effect of these transactions may

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be to stabilize or maintain the market price of our Ordinary Shares at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of our Ordinary Shares to the extent that it discourages resales of our Ordinary Shares. The magnitude or effect of any stabilization or other transactions is uncertain. These transactions may be effected on the Nasdaq Capital Market or otherwise and, if commenced, may be discontinued at any time.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Ordinary Shares. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these transactions or that any transaction, if commenced, will not be discontinued without notice.

### **Passive Market Making**

In connection with this offering, the underwriters may engage in passive market making transactions in our Ordinary Shares on the Nasdaq Capital Market in accordance with Rule 103 of Regulation M under the Exchange Act, during a period before the commencement of offers or sales of the Ordinary Shares and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, then that bid must then be lowered when specified purchase limits are exceeded.

### **Advisory Services**

Pursuant to the Engagement Agreement, the Representative has agreed to provide general financial advisory services to the Company such as introducing the Company to investors and assisting the Company in certain financings (as defined below) or certain M&A Transactions (as defined below) (the "Advisory Services").

If during the term of the Engagement Agreement or within twelve (12) months from the effective date of the termination or expiration of the Engagement Agreement either the Company or any party to whom the Company was directly introduced by the Representative, or who was contacted by the Representative on behalf of the Company in connection with its Advisory Services for the Company, proposes a financing ("Financing") or any transaction with the Company, including, without limitation, a merger, acquisition or sale of stock or assets (in which the Company may be the acquiring or the acquired entity), joint venture, strategic alliance or other similar transaction (any such transaction, an "M&A Transaction"), then, if any such Financing or an M&A Transaction is consummated, the Company shall pay in cash, certain fees to the Representative. Under the Engagement Agreement, as consideration for the Advisory Services in connection with a private placement of equity or equity linked securities, the Company has agreed to pay the Representative a cash fee of seven percent (7%) of the amount of capital raised, invested or committed. Under the Engagement Agreement, as consideration for the Advisory Services in connection with a private placement of debt, the Company has agreed to pay the Representative a cash fee of six percent (6%) of the amount of capital raised, invested or committed. For M&A Transactions, pursuant to the Engagement Agreement, the Company has agreed to pay to the Representative a cash fee equal to five percent (5%) of the total M&A Transaction consideration (as defined in the Engagement Agreement). Pursuant to the Engagement Agreement, a Financing or M&A Transaction shall be deemed consummated before such date if any agreement in principle which includes material terms of such Financing or M&A Transaction is reached prior to such date even if the closing occurs later.

### **Affiliations**

Each underwriter and its respective affiliates are a full-service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. The underwriters may in the future receive customary fees and commissions for these transactions. We have not engaged the underwriters to perform any services for us in the previous 180 days, nor do we have any agreement to engage the underwriters to perform any services for us in the future, subject to the right to act as an advisor as described above.

In the ordinary course of its various business activities, each underwriter and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for its own account and for the accounts of its customers, and such investment

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and securities activities may involve securities and/or instruments of the issuer. Each underwriter and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Electronic Offer, Sale and Distribution**

A prospectus in electronic format may be made available on the websites maintained by the underwriters or selling group members. The underwriters may agree to allocate a number of securities to selling group members for sale to its online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of, nor incorporated by reference into, this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us, and should not be relied upon by investors. In connection with the offering, the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

### **Indemnification**

We have agreed to indemnify the underwriters against liabilities relating to the offering arising under the Securities Act and the Exchange Act and to contribute to payments that the underwriters may be required to make for these liabilities. In the opinion of the Securities and Exchange Commission, we have been advised that indemnification of liabilities under the Securities Act is against public policy as expressed in the Securities Act, and is therefore unenforceable.

### **Application for Nasdaq Listing**

We have applied to have our Ordinary Shares approved for listing/quotation on The Nasdaq Capital Market under the symbol "MGN." We will not consummate and close this offering without a listing approval letter from The Nasdaq Capital Market. Our receipt of a listing approval letter is not the same as an actual listing on The Nasdaq Capital Market. The listing approval letter will serve only to confirm that, if we sell a number of Ordinary Shares in this offering sufficient to satisfy applicable listing criteria, our Ordinary Shares will in fact be listed.

If the application is approved, trading of our Ordinary Shares on The Nasdaq Capital Market will begin within five days following the closing of this offering. If our Ordinary Shares are listed on The Nasdaq Capital Market, we will be subject to continued listing requirements and corporate governance standards. We expect these new rules and regulations to significantly increase our legal, accounting and financial compliance costs.

### **Selling Restrictions**

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

### ***Notice to Prospective Investors in Australia***

This prospectus:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (C<sup>th</sup>), or the Corporations Act;



- has not been, and will not be, lodged with the Australian Securities and Investments Commission, or the ASIC, as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;

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- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The Ordinary Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Ordinary Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Ordinary Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Ordinary Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Ordinary Shares under this prospectus will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Ordinary Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Ordinary Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

### ***Notice to Prospective Investors in Canada***

**Resale restrictions.** The distribution of the Ordinary Shares in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of the Ordinary Shares are made. Any resale of the Ordinary Shares in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

**Representations of Canadian purchasers.** By purchasing Ordinary Shares in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the Ordinary Shares without the benefit of a prospectus qualified under those securities laws as it is an “accredited investor” as defined under National Instrument 45-106 — Prospectus Exemptions;
- the purchaser is a “permitted client” as defined in National Instrument 31-103 — Registration Requirements, Exemptions and Ongoing Registrant Obligations;
- where required by law, the purchaser is purchasing as principal and not as agent; and
- the purchaser has reviewed the text above under Resale Restrictions.

**Conflicts of Interest.** Canadian purchasers are hereby notified that the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105 — Underwriting Conflicts from having to provide certain conflict of interest disclosure in this prospectus.

**Statutory Rights of Action.** Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendment thereto) such as this prospectus contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Enforcement of Legal Rights. All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

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**Taxation and Eligibility for Investment.** Canadian purchasers of Ordinary Shares should consult their own legal and tax advisors with respect to the tax consequences of an investment in the Ordinary Shares in their particular circumstances and about the eligibility of the Ordinary Shares for investment by the purchaser under relevant Canadian legislation.

### ***Notice to Prospective Investors in Cayman Islands***

No invitation, whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Ordinary Shares or our Ordinary Shares. This prospectus does not constitute a public offer of the Ordinary Shares or Ordinary Shares, whether by way of sale or subscription, in the Cayman Islands. Neither Ordinary Shares nor Ordinary Shares have been offered or sold, and will not be offered or sold, directly or indirectly, in the Cayman Islands.

### ***Notice to Prospective Investors in Dubai International Financial Centre, or the DIFC***

This prospectus relates to an Exempt Offer of the Dubai Financial Services Authority, or the DFSA, in accordance with the Markets Rules 2012 of the DFSA. This prospectus is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this prospectus. The securities to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

In relation to its use in the DIFC, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

### ***Notice to Prospective Investors in European Economic Area***

In relation to each Member State of the European Economic Area (each, a Relevant State), no Ordinary Shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Ordinary Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the underwriters for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Ordinary Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Ordinary Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

### ***Notice to Prospective Investors in Hong Kong***

The Ordinary Shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous

Provisions) Ordinance (Cap.32, Laws of Hong Kong), (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules promulgated thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Ordinary Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with

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respect to Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules promulgated thereunder.

### ***Notice to Prospective Investors in Japan***

Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold directly or indirectly in Japan or to, or for the benefit of any Japanese person or to others, for re-offering or re-sale directly or indirectly in Japan or to any Japanese person, except in each case pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws, rules and regulations of Japan. For purposes of this paragraph, “Japanese person” means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

### ***Notice to Prospective Investors in Kuwait***

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990 “Regulating the Negotiation of Securities and Establishment of Investment Funds,” its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the Ordinary Shares, these may not be marketed, offered for sale, nor sold in the State of Kuwait. Neither this prospectus (including any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Investors in Kuwait who approach us or any of the underwriters to obtain copies of this prospectus are required by us and the underwriters to keep such prospectus confidential and not to make copies thereof nor distribute the same to any other person in Kuwait and are also required to observe the restrictions provided for in all jurisdictions with respect to offering, marketing and the sale of the Ordinary Shares.

### ***Notice to Prospective Investors in People’s Republic of China***

This prospectus may not be circulated or distributed in the People’s Republic of China, or the PRC, and the Ordinary Shares may not be offered or sold, and will not offer or sell to any person for re-offering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws, rules and regulations of the PRC. For the purpose of this paragraph only, the PRC includes only mainland China.

### ***Notice to Prospective Investors in Qatar***

In the State of Qatar, the offer contained herein is made on an exclusive basis to the specifically intended recipient thereof, upon that person’s request and initiative, for personal use only and shall in no way be construed as a general offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. This prospectus and the underlying securities have not been approved or licensed by the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar. The information contained in this prospectus shall only be shared with any third parties in Qatar on a need to know basis for the purpose of evaluating the contained offer. Any distribution of this prospectus by the recipient to third parties in Qatar beyond the terms hereof is not permitted and shall be at the liability of such recipient.

### ***Notice to Prospective Investors in Saudi Arabia***

This prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this prospectus you should consult an authorized financial adviser.



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### ***Notice to Prospective Investors in Singapore***

This prospectus has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this prospectus and any other documents or material in connection with the offer or sale, or invitation for subscription or purchase, of the Ordinary Shares may not be circulated or distributed, nor may the Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, or (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where our Ordinary Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor; securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred within six months after that corporation or that trust has acquired the Ordinary Shares under Section 275 of the SFA, except: (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than US\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

### ***Notice to Prospective Investors in Switzerland***

The Ordinary Shares will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to our company or the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of the Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the Ordinary Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or the CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Ordinary Shares.

### ***Notice to Prospective Investors in United Arab Emirates***

The Ordinary Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the United Arab Emirates, except: (i) in compliance with all applicable laws and regulations of the United Arab Emirates; and (ii) through persons or corporate entities authorized and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the United Arab Emirates. The information contained in this prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and is addressed only to persons who are sophisticated investors.

### ***Notice to Prospective Investors in United Kingdom***

This prospectus is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order; or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons



falling within (i)-(iii) together being referred to as “relevant persons”). The Ordinary Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Ordinary Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

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**EXPENSES RELATING TO THIS OFFERING**

Set forth below is an itemization of the total expenses, excluding placement discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the FINRA filing fee and the Nasdaq Capital Market listing fee, all amounts are estimates.

Securities and Exchange Commission Registration Fee	US\$	1,274
Nasdaq Capital Market Listing Fee	US\$	75,000
FINRA Filing Fee	US\$	1,794
Legal Fees and Expenses	US\$	420,000
Accounting Fees and Expenses	US\$	460,000
Printing and Engraving Expenses	US\$	25,000
Transfer Agent Expenses	US\$	36,012
Investor Relations Fee	US\$	200,000
Miscellaneous Expenses	US\$	74,920
<b>Total Expenses</b>	US\$	<b>1,294,000</b>

These expenses will be borne by us. Underwriting discounts will be borne by us in proportion to the numbers of Ordinary Shares sold in the offering.

## **LEGAL MATTERS**

The validity of the Ordinary Shares offered hereby and certain legal matters as to Cayman Islands law will be passed upon for us by Forbes Hare. Ortoli Rosenstadt LLP is acting as counsel to our company regarding U.S. securities law matters. Certain legal matters as to Malaysia law will be passed upon for us by Enolil Loo. Ortoli Rosenstadt LLP may rely upon Enolil Loo with respect to matters governed by Malaysia law. Loeb & Loeb LLP, New York, New York is acting as U.S. securities counsel for the underwriters in connection with this offering.

## **EXPERTS**

The financial statements as of December 31, 2021, 2022 and 2023, and for each of the three financial years in the period ended December 31, 2021, 2022 and 2023 included in this prospectus have been audited by WWC, P.C. an independent registered public accounting firm, as stated in their report appearing herein (which report expresses an unqualified opinion on the financial statements). Such financial statements have been so included in reliance upon the report of such firm given upon the authority of such firm as experts in accounting and auditing. The office of WWC, P. C. is located at 2010 Pioneer Court, San Mateo, CA 94403, U.S.A.

## **INTERESTS OF EXPERTS AND COUNSEL**

None of the named experts or legal counsel was employed on a contingent basis, owns an amount of shares in our company which is material to that person, or has a material, direct or indirect economic interest in our company or that depends on the success of the offering.

## **DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES**

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the forgoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-1, including relevant exhibits and schedules under the Securities Act, covering the Ordinary Shares offered by this prospectus. You should refer to our registration statements and their exhibits and schedules if you would like to find out more about us and about the Ordinary Shares. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Since the prospectus may not contain all the information that you may find important, you should review the full text of these documents.

Immediately upon the completion of this offering, we will be subject to periodic reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders under the federal proxy rules contained in Sections 14(a), (b) and (c) of the Exchange Act, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

The registration statements, reports and other information so filed can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains a website that contains reports, proxy statements and other information about issuers, such as us, who file electronically with the SEC. The address of that website is <http://www.sec.gov>. The information on that website is not a part of this prospectus.

No dealer, salesperson, or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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**WWC, P.C.** CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To: The Board of Directors and Shareholders of  
Megan Holdings Limited

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Megan Holdings Limited and its subsidiary (collectively the “Company”) as of December 31, 2021, 2022 and 2023, and the related consolidated statements of comprehensive income, changes in shareholders’ equity, and cash flows in each of the years for the three-year period ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, 2022 and 2023, and the results of its operations and its cash flows in each of the three-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of our management. Our responsibility is to express an opinion on the financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of our internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

WWC, P.C.  
Certified Public Accountants  
PCAOB ID No. 1171

We have served as the Company’s auditor since 2022.  
San Mateo, California  
May 23, 2024, except for Notes 1, 12 and 18 which are dated August 8, 2024

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2010 PIONEER COURT, SAN MATEO, CA 94403 TEL.: (650) 638-0808 FAX.: (650) 638-0878  
E-MAIL: INFO@WWCCPA.COM WEBSITE: WWW.WWCCPA.COM

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**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS**

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,737,877	7,204,730	4,116,347	896,749
Restricted cash	—	—	12,090	2,634
Investments in marketable securities	9,704,511	14,272,365	4,434,792	966,122
Accounts receivable, net	10,603,440	17,325,463	20,090,422	4,376,712
Contract assets, net	909,111	2,126	—	—
Deposits and other receivables	8,060,785	9,046,230	22,810,363	4,969,253
<b>Total current assets</b>	<b>31,015,724</b>	<b>47,850,914</b>	<b>51,464,014</b>	<b>11,211,470</b>
<b>Non-current assets</b>				
Property and equipment, net	—	4,663	557,758	121,508
Operating lease right-of-use assets, net	17,614	—	—	—
Deferred initial public offering costs	—	930,007	2,775,539	604,653
<b>Total non-current assets</b>	<b>17,614</b>	<b>934,670</b>	<b>3,333,297</b>	<b>726,161</b>
<b>Total assets</b>	<b>31,033,338</b>	<b>48,785,584</b>	<b>54,797,311</b>	<b>11,937,631</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>				
<b>Current liabilities</b>				
Accounts payable	8,588,965	3,644,063	1,752,435	381,769
Operating lease liabilities	17,614	—	—	—
Contract liabilities	499,750	4,299,000	2,584,731	563,085
Amount due to a director	982,983	—	50,188	10,933
Amount due to a related party	—	—	2,108,419	459,321
Accrued liabilities and other payables	3,398,954	11,427,851	6,976,337	1,519,799
Bank loan	—	—	30,626	6,672
Income taxes payables	4,271,066	7,929,727	11,165,069	2,432,318
<b>Total current liabilities</b>	<b>17,759,332</b>	<b>27,300,641</b>	<b>24,667,805</b>	<b>5,373,897</b>
<b>Non-current liabilities</b>				
Bank loan	—	—	357,487	77,879
<b>Total non-current liabilities</b>	<b>—</b>	<b>—</b>	<b>357,487</b>	<b>77,879</b>



<b>Total liabilities</b>	<b>17,759,332</b>	<b>27,300,641</b>	<b>25,025,292</b>	<b>5,451,776</b>
<b>Commitments and contingencies</b>	—	—	—	—
<b>Shareholders' equity</b>				
Ordinary shares, USD0.0001 par value, 500,000,000 shares authorized, 15,000,000 shares issued and outstanding as of December 31, 2021, 2022 and 2023, respectively*	6,263	6,263	6,263	1,500
Additional paid-in capital*	243,737	243,737	243,737	52,963
Retained earnings	13,024,006	21,234,943	29,522,019	6,431,392
<b>Total shareholders' equity</b>	<b>13,274,006</b>	<b>21,484,943</b>	<b>29,772,019</b>	<b>6,485,855</b>
<b>Total liabilities and shareholders' equity</b>	<b>31,033,338</b>	<b>48,785,584</b>	<b>54,797,311</b>	<b>11,937,631</b>

\* Giving retroactive effect to the issuance of ordinary shares effected which are detailed in Note 12.

The accompanying notes are an integral part of these consolidated financial statements.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
Revenue	45,955,991	72,310,038	85,237,802	18,569,114
Cost of revenue – external parties	(27,201,255)	(36,711,827)	(55,626,226)	(12,118,211)
Cost of revenue – related party	(8,890,750)	(21,159,286)	(15,329,495)	(3,339,541)
<b>Gross Profit</b>	<b>9,863,986</b>	<b>14,438,925</b>	<b>14,282,081</b>	<b>3,111,362</b>
General and administrative expenses	(4,783,581)	(2,694,918)	(4,030,856)	(878,125)
Interest expenses	(1,820)	(386)	(1,543)	(336)
Allowance for expected credit losses	—	—	(281,479)	(61,320)
Income from operations	5,078,585	11,743,621	9,968,203	2,171,581
Other income				
Fair value gain on marketable securities	4,654,322	123,652	1,552,582	338,231
Interest income	1,468	2,325	1,633	356
Total other income, net	4,655,790	125,977	1,554,215	338,587
<b>Income before income tax</b>	<b>9,734,375</b>	<b>11,869,598</b>	<b>11,522,418</b>	<b>2,510,168</b>
Income tax expenses	(2,425,572)	(3,658,661)	(3,235,342)	(704,821)
<b>Net income</b>	<b>7,308,803</b>	<b>8,210,937</b>	<b>8,287,076</b>	<b>1,805,347</b>
<b>Weighted average number of ordinary shares</b>				
basic and diluted*	<b>15,000,000</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>15,000,000</b>
<b>Earnings per share attributable to ordinary shareholders</b>				
basic and diluted*	<b>0.49</b>	<b>0.55</b>	<b>0.55</b>	<b>0.12</b>

\* Giving retroactive effect to the issuance of ordinary shares effected which are detailed in Note 12.

The accompanying notes are an integral part of these consolidated financial statements.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

	Ordinary Shares*		Additional paid-in capital*	Retained earnings	Total shareholders' equity
	No. of shares*	Amount*			
		MYR	MYR	MYR	MYR
<b>Balance, January 1, 2021</b>	<b>15,000,000</b>	<b>6,263</b>	<b>243,737</b>	<b>5,715,203</b>	<b>5,965,203</b>
Net income	—	—	—	7,308,803	7,308,803
<b>Balance, December 31, 2021</b>	<b>15,000,000</b>	<b>6,263</b>	<b>243,737</b>	<b>13,024,006</b>	<b>13,274,006</b>
Net income	—	—	—	8,210,937	8,210,937
<b>Balance, December 31, 2022</b>	<b>15,000,000</b>	<b>6,263</b>	<b>243,737</b>	<b>21,234,943</b>	<b>21,484,943</b>
Net income	—	—	—	8,287,076	8,287,076
<b>Balance, December 31, 2023</b>	<b>15,000,000</b>	<b>6,263</b>	<b>243,737</b>	<b>29,522,019</b>	<b>29,772,019</b>
<b>Balance, December 31, 2023 (USD)</b>	<b>15,000,000</b>	<b>1,500</b>	<b>52,963</b>	<b>6,431,392</b>	<b>6,485,855</b>

\* Giving retroactive effect to the issuance of ordinary shares effected which are detailed in Note 12.

The accompanying notes are an integral part of these consolidated financial statements.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income	7,308,803	8,210,937	8,287,076	1,805,347
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation of property and equipment	—	74	9,104	1,983
Amortization of operating lease right-of-use assets	22,180	17,614	—	—
Allowance for expected credit losses	—	—	281,479	61,320
Fair value gain on marketable securities	(4,654,322)	(123,652)	(1,552,582)	(338,231)
	<u>2,676,661</u>	<u>8,104,973</u>	<u>7,025,077</u>	<u>1,530,419</u>
<b>Changes in operating assets and liabilities:</b>				
Accounts receivable, net	(4,594,130)	(6,722,023)	(3,046,438)	(663,669)
Contract assets, net	(909,111)	906,985	2,126	463
Deposits and other receivables	(4,961,785)	2,640,348	(20,109,665)	(4,380,903)
Accounts payable	7,525,575	(4,944,902)	(1,891,628)	(412,092)
Contract liabilities	499,750	3,799,250	(1,714,269)	(373,455)
Accrued liabilities and other payables	3,092,954	8,028,897	(4,451,514)	(969,766)
Payment of operating lease liabilities	(22,180)	(17,614)	—	—
Income taxes payables	2,425,572	3,658,661	3,235,342	704,821
	<u>2,425,572</u>	<u>3,658,661</u>	<u>3,235,342</u>	<u>704,821</u>
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<u>5,733,306</u>	<u>15,454,575</u>	<u>(20,950,969)</u>	<u>(4,564,182)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of property and equipment	—	(4,737)	(562,199)	(122,475)
Deposits (paid)/refunded for purchase of properties	—	(4,555,800)	4,500,000	980,328
Proceeds from disposal of marketable securities	19,323,268	104,199,092	72,110,556	15,709,334
Purchases of marketable securities	(24,373,457)	(108,643,294)	(60,720,401)	(13,227,981)
<b>NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES</b>	<u>(5,050,189)</u>	<u>(9,004,739)</u>	<u>15,327,956</u>	<u>3,339,206</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY:</b>				
Advance from/(repayment to) a director	973,000	(982,983)	50,188	10,933
Advance from a related party	—	—	2,108,419	459,321

Proceeds from bank loan	—	—	390,600	85,092
Repayments of bank loan	—	—	(2,487)	(542)
Fixed deposit pledged	—	—	(12,090)	(2,634)
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>	<b>973,000</b>	<b>(982,983)</b>	<b>2,534,630</b>	<b>552,170</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,656,117</b>	<b>5,466,853</b>	<b>(3,088,383)</b>	<b>(672,806)</b>
<b>CASH, CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>81,760</b>	<b>1,737,877</b>	<b>7,204,730</b>	<b>1,569,555</b>
<b>CASH, CASH EQUIVALENTS AT YEAR END</b>	<b>1,737,877</b>	<b>7,204,730</b>	<b>4,116,347</b>	<b>896,749</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>				
Cash received/paid for:				
Interest income	1,468	2,325	1,633	356
Interest paid	1,820	386	1,543	336
Income tax paid	—	—	—	—

The accompanying notes are an integral part of these consolidated financial statements.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 — Nature of business and organization**

**Business**

Megan Holdings Limited (the “Company”) is a holding company incorporated on December 7, 2022, under the laws of the Cayman Islands. The Company has no substantial operations other than as an investment holding of the entire share capital of Megan Mezanin Sdn Bhd (“MMSB”), a Malaysia company incorporated on February 13, 2020.

The Company, through its wholly-owned subsidiary, MMSB, provides development, construction and maintenance of aquaculture and agriculture farms and related works. Currently, the Company’s main revenue segment is generated from upgrading works carried out for the Company’s customers’ existing aquaculture farms, known as Umas Farm and Wakuba Farm, both located in Tawau, Sabah, Malaysia. The Company also undertake maintenance works for the Company’s customers’ farms, on an ad-hoc basis. To supplement the services to the Company’s customers, the Company are also able to assist customers to source for industrial supplies and provide rental of machinery to them.

**Organization and reorganization**

The Company was incorporated under the laws of the Cayman Islands as a limited company on December 7, 2022 and as a holding company. As at the date of its incorporation, the authorized share capital of the Company was USD50,000 divided into 500,000,000 ordinary shares with a par value of USD0.0001 each. The Company allotted and issued one ordinary share to Mr. Hoo Wei Sern (“Mr. Hoo”), the sole shareholder of MMSB. On the other hand, the authorized share capital of MMSB was 250,000 ordinary shares which were issued and outstanding, wholly-owned by Mr. Hoo, before the Group Reorganization (defined below).

Pursuant to a Group Reorganization, to rationalize the structure of the Company and its subsidiary (collectively, the “Group”) in preparation for the listing of the Company’s ordinary shares, the Company became the holding company of the Group on 31 July, 2024, which involved (i) the incorporation of the Company on December 7, 2022 and allotment of one ordinary share to Mr. Hoo, the sole shareholder of MMSB at par value of USD0.0001. On May 15, 2023, Mr. Hoo completed the transfer of the one ordinary share to Star Sprite Limited, a company which is wholly owned by Mr. Hoo, for the total consideration of US\$0.0001; (ii) the sale of an aggregate 69,250 ordinary shares, representing a total 27.5% of equity interest of MMSB, in MMSB by Mr. Hoo to several third parties, with less than 5% shareholdings in MMSB each, through several share sale and purchase agreements (“Share Sale Transaction”) dated July 7, 2023, at an aggregate consideration of MYR1,295,000 (equivalents to USD294,305) and the Share Sale Transaction was completed on August 1, 2023; (iii) the allotment and issuance of 14,999,999 ordinary shares of the Company to shareholders of MMSB by the Company for the transfer of the entire equity interest in MMSB, by shareholders of MMSB, to the Company on July 31, 2024. After the Group Reorganization as of July 31, 2024, Mr. Hoo is deemed holding 72.3% of equity interest in the Company. The Company, together with its wholly-owned subsidiary, are effectively controlled by the same Controlling Shareholder, Mr. Hoo, i.e., ultimately held as to 100% and 72.3% by the Controlling Shareholder before and after the Group Reorganization, respectively, and therefore the Group Reorganization is considered as a recapitalization of entities under common control. The consolidation of the Company and its subsidiary has been accounted for at historical cost. No amount is recognized in respect of goodwill or excess of acquirer’s interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination. The consolidated statements of comprehensive income, consolidated statements of changes in shareholders’ equity and consolidated statements of cash flows are prepared as if the current Group structure had been in existence throughout the three-year period ended December 31, 2023, or since the respective dates of incorporation/establishment of the relevant entity, where this is a shorter period. The consolidated balance sheets as of December 31, 2021, 2022 and 2023 present the assets and liabilities of the companies now comprising the Group which had been incorporated/established as at the relevant balance sheet date as if the current group structure had been in existence at those dates.



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**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 — Nature of business and organization (cont.)**

The accompanying consolidated financial statements reflect the activities of the Company and each of the following entities:

Name	Background	Percentage of effective ownership December 31,			Ownership	Principal Activities
		2021	2022	2023		
Megan Holdings Limited (“MHL”)	<ul style="list-style-type: none"><li>– A Cayman Islands company</li><li>– Incorporated on December 7, 2022</li><li>– Issued share capital of USD[0.0001]</li></ul>	N/A	N/A	N/A	The listing entity	Investment holding
Megan Mezanin Sdn Bhd (“MMSB”)	<ul style="list-style-type: none"><li>– A Malaysian company</li><li>– Incorporated on February 13, 2020</li><li>– Issued share capital of MYR250,000</li></ul>	100%	100%	100%	Wholly-owned by MHL	Development, construction and maintenance of aquaculture and agriculture farms and related works

**Note 2 — Summary of significant accounting policies**

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”).

Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All transactions and balances among the Company and its subsidiary have been eliminated upon consolidation.

Use of estimates and assumptions

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Significant accounting estimates reflected in the Company’s consolidated financial statements include, but not limited to, allowance for expected credit losses, revenue recognition and uncertain tax position. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.



Risks and uncertainties

The main operations of the Company are located in Malaysia. Accordingly, the Company's business, financial condition, and results of operations may be influenced by political, economic, and legal environments in Malaysia, as well as by the general state of the economy in Malaysia. The Company's results may be adversely affected by changes in the

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2 — Summary of significant accounting policies (cont.)**

political, regulatory and social conditions in Malaysia. Although the Company has not experienced losses from these situations and believe believes that it is in compliance with existing laws and regulations including its organization and structure disclosed in Note 1, such experience may not be indicative of future results.

Foreign currency translation and transaction

The accompanying consolidated financial statements are presented in the Malaysia Ringgit (“MYR”), which is the reporting currency of the Company. The functional currency of the Company in the Cayman Islands is United States Dollars (“USD”), its other subsidiaries which are incorporated in Malaysia are Malaysia Ringgit (“MYR”), which are their respective local currencies based on the criteria of ASC 830, “Foreign Currency Matters”.

In the consolidated financial statements of the Company, transactions in currencies other than the functional currency are measured and recorded in the functional currency using the exchange rate in effect at the date of the transaction. At the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate at the balance sheet date. All gains and losses arising from foreign currency transactions are recorded in the consolidated statements of operations and comprehensive income during the year in which they occur.

The following table outlines the currency exchange rates that were used in creating the consolidated financial statements in this report:

	December 31, 2021	December 31, 2022	December 31, 2023
Year-end spot rate	MYR1 = USD4.1750	MYR1 = USD4.4002	MYR1 = USD4.5903
Average rate	MYR1 = USD4.1439	MYR1 = USD4.3982	MYR1 = USD4.5577

Convenience translation

Translations of balances in the consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in shareholders’ equity and consolidated statements of cash flows from MYR into USD as of December 31, 2023 are solely for the convenience of the readers and are calculated at the rate of USD1.00 = MYR4.5903, representing the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 29, 2023. No representation is made that the MYR amounts could have been, or could be, converted, realized or settled into USD at such rate, or at any other rate.

Fair value measurements

The Company’s financial instruments, including cash and cash equivalents, investments in marketable securities, account receivables, contract assets, deposits and other receivables, account payables, amount due to a director, accrued liabilities and other payables and operating lease liabilities, have carrying amounts that approximate their fair values due to their short maturities. ASC Topic 820, “Fair Value Measurements and Disclosures,” requires disclosing the fair value of financial instruments held by the Company. ASC Topic 825, “Financial Instruments,” defines fair value and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets are a reasonable estimate of their fair values because of the short period between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2 — Summary of significant accounting policies (cont.)**

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

The following table presents information about the Company's financial assets and liabilities that were measured at fair value on a recurring basis as of December 31, 2021, 2022 and 2023 and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value.

	<b>December 31, 2021</b>	<b>Quoted Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Input (Level 2)</b>	<b>Significant Other Unobservable Input (Level 3)</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>
<b>Assets:</b>				
Investments in marketable securities	9,704,511	9,704,511	—	—
	<b>December 31, 2022</b>	<b>Quoted Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Input (Level 2)</b>	<b>Significant Other Unobservable Input (Level 3)</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>
<b>Assets:</b>				
Investments in marketable securities	14,272,365	14,272,365	—	—
	<b>December 31, 2023</b>	<b>Quoted Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Input (Level 2)</b>	<b>Significant Other Unobservable Input (Level 3)</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>
<b>Assets:</b>				
Investments in marketable securities	4,434,792	4,434,792	—	—

Fair value estimates are made at a specific point in time based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Cash and cash equivalents

Cash and cash equivalents primarily consist of bank deposits with original maturities of three months or less, which are unrestricted as to withdrawal and use. Cash and cash equivalents also consist of funds earned from the Company's operating revenues which were held at third party platform fund accounts which are unrestricted as to immediate use or withdrawal. The Company maintains most of its bank accounts in Malaysia.

Restricted cash

Restricted cash represents the fixed deposits that have been pledged to lenders as security for the Company's outstanding bank loan.

Accounts receivable, net

Accounts receivable include trade accounts due from customers. Accounts are considered overdue after 90 days from the date of invoice. In evaluating the collectability of receivable balances, the Company considers specific evidence including aging of the receivable, the client's payment history, its current creditworthiness, current economic trends, industry trend analysis, and the credit history and financial conditions of the customers. The Company regularly reviews the adequacy and appropriateness of the allowance for expected credit losses. Account balances are charged

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2 — Summary of significant accounting policies (cont.)**

off against the allowance after all means of collection have been exhausted and the likelihood of collection is not probable. As of December 31, 2021, the Company did not make allowance for expected credit losses for accounts receivable after consideration of the balances aged within 90 days and not yet overdue and fully settled subsequent to year end. As of December 31, 2022, the Company did not make allowance for expected credit losses for accounts receivable after consideration of the following reasons: (1) the Company has on-going projects with the respective customers; (2) regular settlements from the respective customers; (3) the outstanding accounts receivable is still within the operating cycle of the Company; (4) the balances are matured within one year; and (5) all accounts receivable of MYR17,325,463 were fully settled subsequent to year end. As of December 31, 2023, the Company made allowance for expected credit losses amounted to RM281,479 (USD61,320) for accounts receivable based on the Company's expected credit losses methodology for the measurement of credit losses.

Contract assets, net

Contract assets are recorded when the progress to completion revenue earned on contracts exceeds amounts actually billed under the contract.

Deposits and other receivables

Deposits are mainly for rent, utilities and money deposited with certain vendors. These amounts are refundable and bear no interest. The short-term deposits usually have a one-year term and are refundable upon contract termination. As of December 31, 2022, an amount of MYR4,500,000 relating to the deposit for purchase of a property in Malaysia which has been subsequently refunded on July 31, 2023 due to cessation of acquisition. Other receivables mainly represented advances to subcontractor of MYR8,012,410, MYR4,481,511, MYR22,809,654 (USD4,969,099) as of December 31, 2021, 2022 and 2023, respectively, for the subcontracting construction services.

Deferred initial public offering costs

The Company follows the requirements of the FASB ASC 340-10-S99-1 and SEC Staff Accounting Bulletin ("SAB") Topic 5A — "Expenses of Offering". Deferred initial public offering ("IPO") costs consist of underwriting, legal and other expenses incurred through the balance sheet date that are directly related to the intended IPO. Deferred IPO costs will be charged to shareholders' equity netted against the proceeds upon the completion of the IPO. Should the IPO prove to be unsuccessful, these deferred IPO costs, as well as additional expenses to be incurred, will be charged to statements of comprehensive income.

Investments in marketable securities

Investments in marketable securities, net, consist of investments in listed shares, which are listed on Bursa Malaysia. Marketable securities are accounted for under ASC 321 and reported at their readily determinable fair values as quoted by market exchanges with changes in fair value recorded in other income in the consolidated statements of comprehensive income. All changes in a marketable security's fair value are reported in earnings as they occur, as such, the sale of a marketable security does not necessarily give rise to a significant gain or loss. Unrealized gains/(losses) due to fluctuations in fair value are recorded in the consolidated statements of comprehensive income. Declines in fair value below cost deemed to be other-than-temporary are recognized as impairments in the consolidated statements of comprehensive income.

Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

	<b>Expected useful lives</b>
Office furniture and fittings	10 years
Office equipment	10 years
Freehold property	50 years

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2 — Summary of significant accounting policies (cont.)**

Expenditures for maintenance and repairs are charged to earnings as incurred, while additions, renewals and betterments, which are expected to extend the useful life of assets, are capitalized. The cost and related accumulated depreciation of assets sold or otherwise retired are eliminated from the accounts and any gain or loss is included in the consolidated statements of comprehensive income. The Company also re-evaluates the periods of depreciation to determine whether subsequent events and circumstances warrant revised estimates of useful lives.

Impairment for long-lived assets

Long-lived assets, including property and equipment with finite lives are reviewed for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be recoverable. The Company assesses the recoverability of the assets based on the undiscounted future cash flows the assets are expected to generate and recognize an impairment loss when estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. If an impairment is identified, the Company would reduce the carrying amount of the asset to its estimated fair value based on a discounted cash flows approach or, when available and appropriate, to comparable market values. As of December 31, 2021, 2022 and 2023, no impairment of long-lived assets was recognized.

Accounts payable

Accounts payable represents trade payables to vendors.

Contract liabilities

Contract liabilities are recorded when amounts billed under a contract exceed the progress towards completion of revenue earned under the contract. These payments are non-refundable and are recognized as revenue when the performance obligation is satisfied.

Accrued liabilities and other payables

Accrued liabilities and other payables are primarily include salaries payable and other accrual and payable.

Leases

ASC 842 supersedes the lease requirements in ASC 840 “Leases”, and generally requires lessees to recognize operating and finance lease liabilities and corresponding operating lease right-of-use assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements. All leases in the Group are accounted for as operating leases.

The Company determine if an arrangement is a lease at inception. On the Company’s balance sheet, the corporate office lease is included in operating lease right-of-use (“ROU”) asset, current portion of operating lease liability and operating lease liability, net of current portion.

Operating lease ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. For leases that do not provide an implicit rate, The Company used the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company used the implicit rate when readily determinable. Lease expense for lease payments is recognized on a straight-line basis over the lease term.



Significant judgment may be required when determining whether a contract contains a lease, the length of the lease term, the allocation of the consideration in a contract between lease and non-lease components, and the determination of the discount rate included in the office lease. The Company reviewed the underlying objective of each contract, the terms of the contract, and consider the current and future business conditions when making these judgments.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2 — Summary of significant accounting policies (cont.)**

Any lease with a term of 12 months or less is considered short-term. As permitted by ASC 842, short-term leases are excluded from the ROU assets and lease liabilities on the consolidated balance sheets. Consistent with all other operating leases, short-term lease expense is recorded on a straight-line basis over the lease term.

The Company evaluates the impairment of its right-of-use assets consistent with the approach applied for its other long-lived assets. The Company reviews the recoverability of its long-lived assets when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on its ability to recover the carrying value of the asset from the expected undiscounted future pre-tax cash flows of the related operations. The Company has elected to include the carrying amount of finance and operating lease liabilities in any tested asset group and include the associated lease payments in the undiscounted future pre-tax cash flows. For the years ended December 31, 2021, 2022 and 2023, the Company did not have any impairment loss against its operating lease right-of-use assets.

Bank loan

Bank loan comprises a long-term loan. Bank loan is recognized initially at fair value, net of transaction costs incurred. Bank loan is subsequently stated at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Revenue recognition

The Company elected to adopt Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (ASC 606), effective as of April 1, 2020. Accordingly, the consolidated financial statements for the years ended December 31, 2021, 2022 and 2023 are presented under ASC 606. The Company recognizes revenue to depict the transfer of promised goods or services (that is, an asset) to customers in an amount that reflects the consideration to which the Company expects to receive in exchange for those goods or services. An asset is transferred when the customer obtains control of that asset. It also requires the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The Company elected the modified retrospective method which required a cumulative adjustment to retained earnings instead of retrospectively adjusting prior periods. The adoption of ASC 606 did not have a material impact on the Company's consolidated financial statements.

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Currently, the Company's contracts do not include such variable amount. During the year, there is no provision for onerous contracts.

The Company generates its revenues primarily from development of new aquaculture and agriculture farms, upgrading of aquaculture and agriculture farms, sales of industrial supplies and rental of machinery to its customers.

Generally, revenue is recognized when the Company has negotiated the terms of the transaction, which includes determining either the overall price, or the price for each performance obligation in the form of a service or a

product, the service or product has been delivered to the customer, no obligation is outstanding regarding that service or product, and the Company is reasonably assured that funds have been or will be collected from the customer.

To achieve that core principle, the Company applies the five steps defined under Topic 606:

1. identify the contract(s) with a customer;
2. identify the performance obligations in the contract;

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2 — Summary of significant accounting policies (cont.)**

3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the entity satisfies a performance obligation.

The determination of whether revenues should be reported on a gross or net basis is based on the Company's assessment of whether it is the principal or an agent in the transaction in accordance with ASC 606-10-55 and depends on whether the promise to the customer is to provide the products or to facilitate a sale by a third party. The nature of the promise depends on whether the Company control the products prior to transferring it. When the Company controls the products, the promise is to provide and deliver the products and revenue is presented gross. When the Company does not control the products, the promise is to facilitate the sale and revenue is presented net. To distinguish a promise to provide products from a promise to facilitate the sale from a third party, the Company considers the guidance of control in ASC 606-10-55-37A and the indicators in 606-10-55-39. The Company considers this guidance in conjunction with the terms in its arrangements with both suppliers and customers.

Revenue is presented in the consolidated statements of comprehensive income. The Company does not offer rights of refund of previously paid or delivered amounts, rebates, warranty, rights of return or price protection. In all instances, the Company limits the amount of revenue recognized to the amounts for which it has the right to bill its' customers.

The Company currently generates its revenue by the below sources:

*(a) Development of new aquaculture and agriculture farms*

The Company currently generates revenue from the development of new aquaculture and agriculture farms. The Company is typically contracted through invitation to tender from or corporate negotiation with existing or potential customers in Malaysia. The Company primarily responsible for the fulfilling the promise to provide the designs and develops aquaculture and agriculture farms based on customers' specific needs and adding value to the inputs by combining them in accordance with an architectural and engineering plan so that they are worth more as a scalable solution versus as individual components. The contract does not provide any post-contract customer warranty, support, or upgrades and there is no retention withheld by customers. The duration of the development period primarily between 6 to 18 months. The Company has discretion in establishing the price for the specified services.

In general, the design and builds of farming are mainly consist of four components:

- Irrigation System
- Earthwork
- Water Discharge System
- Electrical Works

The design of aquaculture and agriculture farms can have a significant impact on the productivity, efficiency, and sustainability of the farm. Some important factors to consider when designing aquaculture and agriculture farms include site selection, infrastructure design and sustainable practices.

The Company recognizes revenue using the percentage-of-completion method, based primarily on contract costs incurred to date compared to total estimated contract costs. The percentage-of-completion method (an input method) is the most representative depiction of the Company's performance because it directly measures the value of the services or products transferred to the customer. Subcontractor, building materials, labor and equipment are included in revenue and cost of revenue when management believes that the Company is acting

as a principal rather than as an agent (e.g., the Company integrates the materials and labor into the deliverable promised to the customer or is otherwise primarily responsible for fulfillment and acceptability of the materials and labor). The performance obligation to transfer the completed products are not separately identifiable, which is evidencing by the fact that the Company provides a significant service of integrating the goods and services into products for which the customer has contracted. As such, the Company's contracts typically

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2 — Summary of significant accounting policies (cont.)**

contain one single performance obligation to complete a defined construction project. The Company currently does not have any modification of contract and the contract currently does not have any variable consideration. The transaction price is clearly identifiable within service contracts. Historically, any contract acquisition costs have been immaterial; in the event that such costs arose, the Company expenses such costs incurred as periodic cost.

Recognition of revenue and cost of revenue for construction projects requires significant judgment by management, including, among other things, estimating total costs expected to be incurred to complete a project and measuring progress toward completion. Management reviews contract estimates regularly to assess revisions of estimated costs to complete a project and measurement of progress toward completion. Management believes it maintains reasonable estimates based on prior experience; however, many factors contribute to changes in estimates of contract costs. Accordingly, estimates made with respect to uncompleted projects are subject to change as each project progresses and better estimates of contract costs become available. All contract costs are recorded as incurred, and revisions to estimated total costs are reflected as soon as the obligation to perform is determined. In the event that an estimated losses on uncompleted contracts (there is none for years ended December 31, 2021, 2022 and 2023) may occur based on evidence that indicates that the estimated total cost of a contract exceeds its estimated total revenue, regardless of the stage of completion, a provision for the loss of the full amount will be recognized to the result of operations. Contract costs consist of costs on contracts, including labor, machine rental cost, materials, and amounts payable to subcontractors.

The Company's contracts set forth payment terms that require the customer to make payment within 90 days of billing which is triggered by the Company reaching the milestone to bill the customer. Management does not believe that its contracts include a significant financing component because the period between delivery or the contracting services to the customer and the time of payment does not typically exceed one year.

The Company has no obligations for returns, refunds, or similar obligations of its projects with customers.

For the years ended December 31, 2021, 2022 and 2023, the Company is not aware of any material claims against the Company in relation to development of new aquaculture and agriculture farms provided.

The Company has elected to apply the practical expedient to recognize the incremental costs of obtaining a contract as an expense if the amortization period of the asset would have been one year or less. The Company considers the guidance of control in ASC 340-40, there were no incremental costs incurred for the years ended December 31, 2021, 2022 and 2023.

*(b) Upgrading of aquaculture and agriculture farms*

Revenue from upgrading service contracts is generally between 3 to 18 months, which the Company primarily responsible for the fulfilling the promise to provide technical support and labor services for upgrading of aquaculture and agriculture farms during the contracted periods and adding value to the inputs by combining them in accordance to an architectural and engineering plan so that they are worth more as a scalable solution versus as individual components. The Company has discretion in establishing the price for the specified services.

For aquaculture farms (particularly shrimp farms), the focus areas of the works include ensuring proper water levels and quality, aeration and circulation systems and water intake, distribution, and discharge systems of shrimp ponds. For the agriculture farms (particularly pineapple farms), the focus area of the works is soil preparation which involves the improvement of soil structure and aeration. The upgrading services considered to be one single performance obligation since the work procedures are interrelated and affect the functions of each other like the seawater intake system, water distribution system, shrimp ponds, cables, paddle wheels, and water discharge system and work in conjunction are to ensure the farm operates effectively.

The Company recognizes revenue from upgrading of aquaculture and agriculture farms using the percentage-of-completion method, based primarily on contract costs incurred to date compared to total estimated contract costs.

The percentage-of-completion method (an input method) is the most representative depiction of the Company's performance because it directly measures the value of the services or products transferred to the customer. Subcontractor, building materials, labor and equipment are included in revenue and cost of revenue. The performance obligation to transfer the completed products are not separately identifiable, which is evidencing by the fact that the Company provides a significant service of integrating the goods and services into products for which the customer has

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**Note 2 — Summary of significant accounting policies (cont.)**

contracted. As such, the Company's contracts typically contain one single performance obligation to complete a defined upgrading services. The Company currently does not have any modification of contract and the contract currently does not have any variable consideration. The transaction price is clearly identifiable within service contracts. Historically, any contract acquisition costs have been immaterial; in the event that such costs arose, the Company expenses such costs incurred as periodic cost.

The Company's contracts set forth payment terms that require the customer to make payment within 90 days of billing which is triggered by the Company reaching the milestone to bill the customer. Management does not believe that its contracts include a significant financing component because the period between delivery or the contracting services to the customer and the time of payment does not typically exceed one year.

The Company has no obligations for returns, refunds, or similar obligations of its projects with customers.

For the years ended December 31, 2021, 2022 and 2023, the Company is not aware of any material claims against the Company in relation to upgrading of new aquaculture and agriculture farms provided.

The Company has elected to apply the practical expedient to recognize the incremental costs of obtaining a contract as an expense if the amortization period of the asset would have been one year or less. The Company considers the guidance of control in ASC 340-40, there were no incremental costs incurred for the years ended December 31, 2021, 2022 and 2023.

*(c) Sales of industrial supplies*

The Company also generates revenue from sales of industrial supplies. The Company typically receives purchase orders from its customers which will set forth the terms and conditions including the transaction price, products to be delivered, terms of delivery, and terms of payment. The terms serve as the basis of the performance obligations that the Company must fulfil in order to recognize revenue. The key performance obligation is the delivery of the industrial supplies to the customer at their specified location at which point control to that asset passes to the customer. The completion of this earning process is evidenced by a written customer acceptance indicating receipt of the product. Typical payment terms set forth in the invoice is 30 days from the invoice date.

The industrial supplies were delivered directly to customers by the suppliers and relevant shipping and handling costs for the delivery will be charged to cost of revenue once incurred.

The transaction price does not include variable consideration related to returns or refunds as the contracts do not include provisions that allow for sales refunds or returns of products. For the years ended December 31, 2021, 2022 and 2023, the Company is not aware of any material claims against the Company in relation to the sale of industrial supplies.

The Company is a principal and records revenue on a gross basis as the Company is primarily responsible for fulfilling the goods or services to the customers, is subject to inventory risk, has discretion in establishing pricing and the ability to direct the control of the promised goods before transferring those goods to the customers.

*(d) Rental of machinery*

Rental of machinery income are mainly leasing of excavators and cranes from third party supplier, whose equipment are ready to use without, or willing to modification. The Company then sublets these excavators and cranes to customers with the desired effect of generating a spread between its leasing cost and rental income to generate profit margins. Under the terms and conditions of the agreements that company enters, the Company acts a principal in the transaction because the Company takes the risk of loss from lack of rental income if itself has leased the machinery as a lessee, but has not procured a lessee to fill the to rent the machineries; accordingly, the Company recognizes rental income using the gross method.



The rental agreements vary with regard to length and payment terms, usually one to six months, subject to the mutual consent of the Company and the lessee. Billing will be raised on monthly basis and payment terms set forth in the invoice is 60 days from the invoice date. Rental income from rental of machinery is recognized, on a straight-line basis

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**Note 2 — Summary of significant accounting policies (cont.)**

over the terms of the respective leases. The performance obligation under the lease rental agreements is to deliver these equipment to the customer at their location and ensure that the equipment is available for use over the life of the lease rental contract.

Additionally, the Company, acting as a lessor, accounts for its leases in accordance to ASC 842. Based on the terms and conditions of the leases set forth in rental agreements. The Company has recognized the leases as operating leases. The lessees have no right to terminate the rental agreements.

Other income

Interest income is mainly generated from time deposits and is recognized on an accrual basis using the effective interest method.

Cost of revenue

Cost of revenue consists primarily of buildings material cost, labor cost, machine rental cost and sub-contracting cost. Sub-contracting fee includes both subcontracting costs and other outside costs associated with performance under contracts with customers. Labor costs represent the portion of salaries and wages incurred in connection with the production of deliverables under contracts with customers.

General and administrative expenses

General and administrative expenses mainly consist of staff cost, depreciation, office supplies and upkeep expenses, travelling and entertainment, legal and professional fees and other miscellaneous administrative expenses.

Employee compensation

The full-time employees of the Company's subsidiary in Malaysia are entitled to the government mandated defined contribution plan, such as social security, employee provident fund, employment insurance, and human resource development fund, as required by labor laws in Malaysia. The Company is required to accrue and pay for these benefits based on certain percentages of the employees' respective salaries, subject to certain ceilings, in accordance with the relevant government regulations, and make cash contributions to the government mandated defined contribution plan.

Segment reporting

ASC Topic 280, Segment Reporting, establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, business segments and major customers in financial statements for details on the Company's business segments. The Company uses the "management approach" in determining reportable operating segments.

The management approach considers the internal organization and reporting used by the Company's chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company's reportable segments. Management, including the chief operating decision maker, reviews operation results by the revenue of different products or services. Based on management's assessment, the Company has determined that it has only one operating segment. All assets are based in Malaysia and all revenue are generated from Malaysia.

Income taxes

The Company accounts for income taxes in accordance with U.S. GAAP for income taxes. The charge for taxation is based on the results for the fiscal year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes are accounted for using the asset and liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable

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**Note 2 — Summary of significant accounting policies (cont.)**

that taxable profit will be available against which deductible temporary differences can be utilized. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Income tax penalties are accrued related to late in submission of income tax for the years ended December 31, 2021, 2022 and 2023. The Company had no uncertain tax positions for the years ended December 31, 2021, 2022 and 2023. The Company does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months.

Earnings per share

The Company computes earnings per share (“EPS”) in accordance with ASC 260, “Earnings per Share”. ASC 260 requires companies to present basic and diluted EPS. Basic EPS is measured as net income divided by the weighted average ordinary share outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of the potential ordinary shares (e.g., convertible securities, options and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential ordinary shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. For the years ended Decembers 31, 2021, 2022 and 2023, there were no dilutive shares.

Related party

The Company adopted ASC 850, Related Party Disclosures, for the identification of related parties and disclosure of related party transactions.

The details of related party transactions during the years ended December 31, 2021, 2022 and 2023 and balances as of December 31 2021, 2022 and 2023 are set out in the Note 13.

Commitments and contingencies

In the normal course of business, the Company is subject to contingencies, including legal proceedings and claims arising out of the business that relate to a wide range of matters, such as government investigations and tax matters. The Company recognizes a liability for such contingency if it determines it is probable that a loss has occurred, and a reasonable estimate of the loss can be made. The Company may consider many factors in making these assessments including historical and the specific facts and circumstances of each matter.

Recent accounting pronouncements

The Company considers the applicability and impact of all accounting standards updates (“ASUs”). Management periodically reviews new accounting standards that are issued. Under the Jumpstart Our Business Startups Act of 2012, as amended (the “JOBS Act”), the Company meets the definition of an emerging growth company and has elected the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

*Recently adopted accounting pronouncements*

In May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduced the expected credit losses methodology for the measurement of credit losses on financial assets measured at

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**Note 2 — Summary of significant accounting policies (cont.)**

amortized cost basis, replacing the previous incurred loss methodology. The amendments in Update 2016-13 added Topic 326, Financial Instruments — Credit Losses, and made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments — Credit Losses — Available-for-Sale Debt Securities. The amendments in this Update address those stakeholders' concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. For those entities, the targeted transition relief will increase comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furthermore, the targeted transition relief also may reduce the costs for some entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information. In November 2019, the FASB issued ASU No. 2019-10, which to update the effective date of ASU No. 2016-13 for private companies, not-for-profit organizations and certain smaller reporting companies applying for credit losses, leases, and hedging standard. The new effective date for these preparers is for fiscal years beginning after December 15, 2022. ASU 2019-05 is effective for the Company for annual and interim reporting periods beginning April 1, 2023 as the Company is qualified as an emerging growth company. The Company has adopted this standard on April 1, 2023, the adoption did not have a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. The amendments in this Update simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted, including adoption in any interim period for (1) public business entities for periods for which financial statements have not yet been issued and (2) all other entities for periods for which financial statements have not yet been made available for issuance. An entity that elects to early adopt the amendments in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Additionally, an entity that elects early adoption must adopt all the amendments in the same period. The Company has adopted of this standard on April 1, 2022, the adoption did not have a material impact on its consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires entities to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The update will generally result in an entity recognizing contract assets and contract liabilities at amounts consistent with those recorded by the acquiree immediately before the acquisition date rather than at fair value. The new standard is effective on a prospective basis for fiscal years beginning after December 15, 2022, with early adoption permitted. This standard is effective for the Company on April 1, 2023 and the Company does not expect a significant impact to the consolidated financial statements upon adoption. However, the ultimate impact is dependent upon the size and frequency of future acquisitions.

*Recently issued accounting pronouncements*

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”). The amendments in ASU 2023-07 improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for annual periods beginning after December 15, 2023. Adoption of ASU 2023-07

should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

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**Note 2 — Summary of significant accounting policies (cont.)**

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”), which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

Except as mentioned above, the Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a potential material effect on the Company’s consolidated balance sheets, statements of comprehensive loss and statements of cash flows, and related disclosures.

**Note 3 — Accounts receivable, net**

Accounts receivable, net consist of the following:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
Accounts receivable	10,603,440	17,325,463	20,371,901	4,438,032
Less: allowance for expected credit losses	—	—	(281,479)	(61,320)
<b>Total accounts receivable, net</b>	<b>10,603,440</b>	<b>17,325,463</b>	<b>20,090,422</b>	<b>4,376,712</b>

The movements in the allowance for expected credit losses for the years ended December 31, 2021, 2022 and 2023 were as follows:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
Beginning of the financial year	—	—	—	—
Additional	—	—	281,479	61,320
<b>End of the financial year</b>	<b>—</b>	<b>—</b>	<b>281,479</b>	<b>61,320</b>

As of the end of each of the financial year, the aging analysis of accounts receivable, net of allowance for expected credit losses, based on the invoice date is as follows:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
Within 30 days	2,502,750	3,921,871	3,984,826	868,097
Between 31 and 60 days	4,614,000	—	6,607,194	1,439,382



Between 61 and 90 days	3,486,690	2,171,871	6,750,000	1,470,492
Between 91 and 120 days	—	7,214,181	1,603,950	349,422
Between 121 and 150 days	—	3,222,600	1,128,979	245,949
More than 151 days	—	794,940	15,473	3,370
<b>Total accounts receivable, net</b>	<b>10,603,440</b>	<b>17,325,463</b>	<b>20,090,422</b>	<b>4,376,712</b>

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**Note 4 — Contract assets/contract liabilities**

The following table reflects the movements of the net balance of contract assets and contract liabilities.

Movement in contract assets, consists of the following:

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
Beginning of the financial year	—	909,111	2,126	463
Increase resulting from satisfaction of performance obligation	45,408,551	65,369,038	85,237,802	18,569,114
Decrease resulting from advances from customers	—	—	(3,849,000)	(838,507)
Estimated contract earnings to date	45,408,551	66,278,149	81,390,928	17,731,070
Less: progress billings	(44,499,440)	(66,276,023)	(81,390,928)	(17,731,070)
<b>End of the financial year</b>	<b>909,111</b>	<b>2,126</b>	<b>—</b>	<b>—</b>

Movement in contract liabilities, consists of the following:

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
Beginning of the financial year	—	499,750	4,299,000	936,540
Receipt from clients	—	4,299,000	2,584,731	563,085
Revenue recognized during the year	499,750	(499,750)	(4,299,000)	(936,540)
<b>End of the financial year</b>	<b>499,750</b>	<b>4,299,000</b>	<b>2,584,731</b>	<b>563,085</b>

Increase or decrease in contract assets and contract liabilities mainly due to changes in measurement of contracts' progress.

**Note 5 — Deposits and other receivables**

Deposits and other receivables consist of the following:

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
Other receivables	41,666	—	—	—
Advances to subcontractor	8,012,410	4,481,511	22,809,654	4,969,099
Deposits for purchase of properties*	—	4,555,800	—	—
Other deposits	6,709	8,919	709	154
<b>Total</b>	<b>8,060,785</b>	<b>9,046,230</b>	<b>22,810,363</b>	<b>4,969,253</b>

\* Deposits for purchase of properties represented the deposits paid to third parties for acquisition of properties in Malaysia as of December 31, 2022. On 31 July 2023, the deposit of purchase of a property amounting to MYR4,500,000 was fully refunded to the Company due to cessation of acquisition.

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**Note 6 — Investments in marketable securities**

Investments in marketable securities consisted of the investment in less than 5% of equity interest of listed entities in Malaysia. The movement of investments in marketable securities was shown below:

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
<b>At fair value:</b>				
Beginning of the financial year	—	9,704,511	14,272,365	3,109,244
Additions	24,373,457	108,643,294	60,720,401	13,227,981
Disposals	(19,323,268)	(104,199,092)	(72,110,556)	(15,709,334)
Fair value gain recognized for the year	4,654,322	123,652	1,552,582	338,231
<b>End of the financial year</b>	<b>9,704,511</b>	<b>14,272,365</b>	<b>4,434,792</b>	<b>966,122</b>

Investments in equity securities, such as marketable securities, are accounted for at fair value with changes in fair value recognized in net income.

**Note 7 — Property and equipment, net**

Property and equipment, net consist of the following:

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
<b>At cost:</b>				
Freehold property	—	—	558,000	121,561
Office equipment	—	4,200	8,399	1,830
Office furniture and fittings	—	537	537	117
<b>Total</b>	<b>—</b>	<b>4,737</b>	<b>566,936</b>	<b>123,508</b>
Accumulated depreciation	—	(74)	(9,178)	(2,000)
<b>Property and equipment, net</b>	<b>—</b>	<b>4,663</b>	<b>557,758</b>	<b>121,508</b>

Depreciation expenses for the years ended December 31, 2021, 2022 and 2023 were MYRNil, MYR74 and MYR9,104 (USD1,983), respectively.

Freehold property is pledged with a bank to secure bank loan (Note 11).

**Note 8 — Lease**

The Company leases property for the purpose of back-office operations for management personnel and business operation and leases equipment for the back-office operations for a lease term of 2 years.

The extension options for lease of office premise has not been included in lease liabilities because the Company has not renew the lease rental.

Operating lease

The Company recognized operating lease right-of-use (“ROU”) assets and lease liabilities as follows:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
Operating lease right-of-use assets	45,116	45,116	—	—
Accumulated amortization	(27,502)	(45,116)	—	—
<b>Right-of-use assets, net</b>	<b>17,614</b>	<b>—</b>	<b>—</b>	<b>—</b>

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**Note 8 — Lease (cont.)**

Amortization expenses for the years ended December 31, 2021, 2022 and 2023 were MYR22,180 and MYR17,614 and MYR Nil (USD Nil), respectively.

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
Operating lease liabilities	39,794	17,614	—	—
Interest expenses	1,820	386	—	—
Payment of operating lease liabilities	(24,000)	(18,000)	—	—
<b>Operating lease liabilities, net</b>	<b>17,614</b>	<b>—</b>	<b>—</b>	<b>—</b>
	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
<i>Operating lease liabilities</i>				
Current portion	17,614	—	—	—
Non-current portion	—	—	—	—
<b>Total</b>	<b>17,614</b>	<b>—</b>	<b>—</b>	<b>—</b>
	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
Short-term lease expenses	1,029,211	1,233,892	17,958	3,912
<b>Total</b>	<b>1,029,211</b>	<b>1,233,892</b>	<b>17,958</b>	<b>3,912</b>

The Company has elected not to recognize operating lease right-of-use assets and operating lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to statements of comprehensive income on a straight-line basis over the lease term.

**Note 9 — Deferred initial public offering costs**

As of December 31, 2021, 2022 and 2023, the Company capitalized MYR Nil, MYR930,007 and MYR2,775,539 (USD604,653) of deferred initial public offering (“IPO”) costs, respectively. Such costs will be deferred until the closing of the IPO, at which time the deferred IPO costs will be offset against the offering proceeds if successful listing.

**Note 10 — Accrued liabilities and other payables**

The components of accrued expenses and other payables are as follows:

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
Accrued payroll and welfare	—	4,596	30,635	6,673
Accrued expenses*	38,000	77,000	870,270	189,589

Other payables**	3,360,954	4,093,824	5,372,416	1,170,384
Payables to purchase of marketable securities***	—	7,252,431	703,016	153,153
<b>Total</b>	<b>3,398,954</b>	<b>11,427,851</b>	<b>6,976,337</b>	<b>1,519,799</b>

\* Accrued expenses mainly consist of accrual of professional service fees and cost incurred yet to bill.

\*\* Other payables mainly consist of payable for consultant service fees in relation to investment advisory and provision for income tax penalty.

\*\*\* Payables to purchase of marketable securities represents the payments were made at year end but the consideration was successfully transferred on subsequent financial period in relation to the purchase of listed shares in Malaysia Exchange market at a price per share at closing date of the day that order was made, hence, as of December 31, 2022 and 2023, investments in marketable securities were recognized in consolidated balance sheets as debit and credited accrued liabilities and other payables.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 11 — Bank loan**

The carrying amount of bank loan is as follows:

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
<i>Bank loan</i>				
Current portion	—	—	30,626	6,672
Non-current portion	—	—	357,487	77,879
<b>Total bank loan</b>	—	—	388,113	84,551

The bank loan as of December 31, 2023 are set out below:

Bank loan	Principal amount	Maturity date	Period	Interest rate	Third party guarantee	Directors' personal guarantee	Carrying amount
						MYR	MYR
Term loan I	MYR390,600	November 30, 2033	10 years	Base Financing Rate minus 2.00%	Nil	390,600	388,113
<b>Balance as of December 31, 2023</b>							388,113
<b>Balance as of December 31, 2023 (USD)</b>							<b>84,551</b>

For the year ended December 31, 2023, the effective interest rate of the Company's bank loan ranged from is 4.65%.

Other than directors' personal guarantee, the bank loan are secured by freehold property (Note 7) and bank loan assignment over an insurance policy for a director of the Company.

The maturity dates for the Company's outstanding bank loan as of December 31, 2023 are as follows:

Term loan I	MYR	USD
2024	48,360	10,535
2025	48,360	10,535
2026	48,360	10,535
2027	48,360	10,535
2028	48,360	10,535
Thereafter	247,464	53,910
<b>Total bank loan</b>	489,264	106,585
Less: Imputed interest	(101,151)	(22,034)



<b>Present value of bank loan</b>	<b>388,113</b>	<b>84,551</b>
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**Note 12 — Shareholders' equity**

*Ordinary shares*

The Company was incorporated under the laws of the Cayman Islands as a limited company on December 7, 2022 and as a holding company. As at the date of its incorporation, the Company allotted and issued one ordinary share to Mr. Hoo Wei Sern ("Mr. Hoo"), the sole shareholder of MMSB. On May 15, 2023, Mr. Hoo completed the transfer of the one ordinary share to Star Sprite Limited, a company which is wholly owned by Mr. Hoo, for the total consideration of US\$0.0001.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 12 — Shareholders' equity (cont.)**

On July 31, 2024, the Company allotted and issued a total of 14,999,999 ordinary shares to the existing shareholders of the Company to perfect the Company's capital structure in anticipation of an expected initial public offering of its ordinary shares, and the concurrent listing of its ordinary shares on the NASDAQ stock market.

For the sake of undertaking a public offering of the Company's ordinary shares, the Company has performed a series of re-organizing transactions resulting in 15,000,000 shares of ordinary shares issued and outstanding that have been retroactively restated to the beginning of the first period presented. The Company only has one single class of ordinary shares that are accounted for as permanent equity. The Company has accounted for these issuances of ordinary shares as a stock dividend; accordingly, the Company has retroactively restated the presentation of its historical capital structure to the first period presented.

**Note 13 — Related party balances and transactions**

Nature of relationships with related parties:

Related parties	Relationship	December 31,	December 31,	December 31,	December 31,
		2021	2022	2023	2023
		MYR	MYR	MYR	USD
<i>Advances to subcontractor:</i>					
VC Marine Sdn Bhd	Common director	4,808,250	4,481,511	—	—
<i>Accounts payable:</i>					
VC Marine Sdn Bhd	Common director	—	311,036	739,879	161,183
<i>Amount due to:</i>					
Star Sprite Limited	Common director	—	—	2,108,419	459,321
<i>Amount due to:</i>					
Darren Hoo Wei Sern	Director	982,983	—	50,188	10,933

The Company had an unsecured, interest-free, non-trade advance from a related party namely Star Sprite Limited amounting to MYRNil, MYRNil and MYR2,108,419 (USD459,321), respectively, as of December 31, 2021, 2022 and 2023.

The Company had an unsecured, interest-free, non-trade advance from director amounting to MYR982,983, MYRNil and MYR50,188 (USD10,934), respectively, as of December 31, 2021, 2022 and 2023.

Related party transactions:

Transaction nature	Name	December 31,	December 31,	December 31,	December 31,
		2021	2022	2023	2023
		MYR	MYR	MYR	USD
Sub-contractor charges	VC Marine Sdn Bhd	8,890,750	21,159,286	15,329,495	3,339,541
Net repayment of sub-contractor charges to	VC Marine Sdn Bhd	(10,600,000)	(20,521,512)	(10,419,140)	(2,269,817)
Expenses paid on behalf of	Star Sprite Limited	—	—	2,108,419	459,321

Company					
Expenses paid on behalf of director	Hoo Wei Sern	24,000	18,000	93,116	20,285
Net advance from/ (repayment) to director	Hoo Wei Sern	943,000	(1,000,983)	(42,928)	(9,352)
Deposit of rental paid on behalf of director	Hoo Wei Sern	6,000	—	—	—
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**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 14 — Disaggregated revenues**

The following table presents the Company’s revenues disaggregated by service lines for the years ended December 31, 2021, 2022 and 2023:

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2023
	MYR	MYR	MYR	USD
<b>Over time:</b>				
– Development of new aquaculture and agriculture farms	10,200,000	11,841,961	52,582,024	11,455,030
– Upgrading of aquaculture and agriculture farms	32,984,551	49,885,077	32,485,378	7,076,962
– Rental of machinery	2,224,000	3,642,000	—	—
<b>At point in time:</b>				
– Sales of industrial supplies	547,440	6,941,000	170,400	37,122
<b>Total revenue</b>	<b>45,955,991</b>	<b>72,310,038</b>	<b>85,237,802</b>	<b>18,569,114</b>

*Unsatisfied or partially unsatisfied performance obligations*

Management expects that the approximate transaction price allocated to unsatisfied or partially unsatisfied performance obligations as at the end of the reporting periods may be recognized as revenue in the next reporting periods as follow:

	2022	2023	2024
	MYR	MYR	MYR
<b>Partial and fully unsatisfied performance obligation as at:</b>			
December 31, 2021	50,906,000	—	—
December 31, 2022	—	104,251,000	—
December 31, 2023	—	—	62,537,000
December 31, 2023 (USD)	—	—	13,624,000

As permitted under ASC Topic 606, the aggregated transaction price allocated to unsatisfied or partially unsatisfied contracts for original expected duration of one year or less, or are billed based on time incurred, is not disclosed. This amount does not include variable consideration which is subject to significant risk of reversal.

**Note 15 — Income taxes**

***Caymans Islands***

The Company is incorporated in the Cayman Islands and is not subject to tax on income or capital gains under current Cayman Islands law. In addition, no Cayman Islands withholding tax will be imposed upon payments of dividends by this entity to its shareholders.

### ***Malaysia***

Megan Mezanin Sdn Bhd is subject to Malaysia Corporate Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant Malaysia tax laws. The standard corporate income tax rate in Malaysia is 24%. However, if the company has a paid-up capital of MYR2.5 million or less, and gross income from business of not more than MYR50 million, the tax rate will be 17% on the first MYR600,000 and 24% on amount exceeding MYR600,000.

The operations in Malaysia incurred cumulative net operating losses which can be carried forward for a maximum period of seven consecutive years to offset future taxable income.

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**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 15 — Income taxes (cont.)**

The following tables provide the reconciliation of the differences between the statutory and effective tax expenses following as of December 31, 2021, 2022 and 2023.

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
Income before income tax	9,734,375	11,869,598	11,522,418	2,510,168
Tax calculated at tax rate of 24%	2,192,250	2,848,704	2,765,380	602,440
Effect of tax exemption due to reduced income tax rate for small and medium sized companies	102,000	—	—	—
Tax effect on non-taxable income	(424,173)	(558)	(407,101)	(88,687)
Tax effect on non-deductible expenses	555,495	810,515	877,063	191,068
Income tax expenses	<u>2,425,572</u>	<u>3,658,661</u>	<u>3,235,342</u>	<u>704,821</u>

The income tax provision consists of the following components:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
Current income tax expenses	<u>2,425,572</u>	<u>3,658,661</u>	<u>3,235,342</u>	<u>704,821</u>

Uncertain tax positions

The Company evaluates each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measures the unrecognized benefits associated with the tax positions. As of December 31, 2021, 2022 and 2023, the Company did not have any significant unrecognized uncertain tax positions. The Company did not incur any interest and penalties related to potential underpaid income tax expenses for the years ended December 31, 2021, 2022 and 2023, except for the provisions for income tax penalty have been accrued based on the management's best estimate. The Company also does not anticipate any significant increases or decreases in unrecognized tax benefits in the next 12 months from December 31, 2023.

**Note 16 — Concentrations and risks**

*Concentrations*

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of contracts receivable. The Company conducts credit evaluations of its clients, and generally does not require collateral or other security from them. The Company evaluates its collection experience and long outstanding balances to determine the need for an allowance for expected credit losses. The Company conducts periodic reviews of the financial condition and payment practices of its clients to minimize collection risk on accounts receivable.

The following table sets forth a summary of single customers whom represent 10% or more of the Company's total revenue:

**December 31,      December 31,      December 31,      December 31,**

	2021	2022	2023	2023
	MYR	MYR	MYR	USD
<b>Amount of the Company's revenue</b>				
Customer A	25,573,987	7,313,884	13,261,271	2,888,977
Customer B	10,200,000	*	*	*
Customer C	7,410,564	32,388,843	47,090,553	10,258,709
Customer D	*	18,324,850	19,212,200	4,185,391

\* Represents percentages less than 10%

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**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 16 — Concentrations and risks (cont.)**

The following table sets forth a summary of single customers whom represent 10% or more of the Company's total accounts receivable:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
<b>Amount of the Company's accounts receivable</b>				
Customer A	8,264,940	8,457,871	*	*
Customer C	*	7,682,742	18,791,450	4,093,730
Customer E	1,752,250	—	—	—

\* Represents percentages less than 10%

The following table sets forth a summary of suppliers whom represent 10% or more of the Company's total purchases:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
<b>Amount of the Company's purchases:</b>				
Supplier A	19,769,275	*	*	*
Supplier B**	8,890,750	21,159,286	15,329,495	3,339,541
Supplier C	*	23,307,322	48,937,982	10,661,173

\* Represents percentages less than 10%

\*\* Related party — VC Marine Sdn Bhd (Note 13)

The following table sets forth a summary of single suppliers whom represent 10% or more of the Company's total payable:

	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
	<b>MYR</b>	<b>MYR</b>	<b>MYR</b>	<b>USD</b>
<b>Amount of the Company's accounts payable:</b>				
Supplier A	7,091,275	975,000	720,000	156,852
Supplier B	—	—	739,879	161,183
Supplier C	—	2,357,762	—	—
Supplier D	—	—	215,000	46,838



*Credit Risk*

Credit risk is the potential financial loss to the Company resulting from the failure of a client or a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due. As the Company does not hold any collateral, the maximum exposure to credit risk is the carrying amounts of account receivables, deposits, contracts receivable, contract assets, and other receivables (exclude prepayments) and cash and bank deposits presented on the consolidated balance sheets. Other than above, the Company has no other financial assets which carry significant exposure to credit risk.

**MEGAN HOLDINGS LIMITED AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 16 — Concentrations and risks (cont.)**

*Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of, at least, twelve months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Note 17 — Commitments and contingencies**

*Operating lease commitments*

For the details on future minimum lease payments under the non-cancelable operating leases as of December 31, 2023, please refer to a section headed "operating lease right-of-use assets and operating lease liabilities" set forth in the Note to the Consolidated Financial Statements.

*Capital commitments*

As of December 31, 2021, 2022 and 2023, the Company did not have any capital commitments.

*Legal proceedings*

From time to time, the Company is party to certain legal proceedings, as well as certain asserted and unasserted claims. In the ordinary course of business, the Company may be subject to legal proceedings regarding contractual and employment relationships and a variety of other matters. The Company records contingent liabilities resulting from such claims, when a loss is assessed to be probable, and the amount of the loss is reasonably estimable. In the opinion of management, there were no pending or threatened claims and litigation as of December 31, 2023, and through the issuance date of these consolidated financial statements.

**Note 18 — Subsequent events**

The Company evaluated all events and transactions that occurred after December 31, 2023, up through August 8, 2024, the date that these consolidated financial statements are available to be issued, unless as disclosed elsewhere and below, there are not any material subsequent events that require disclosure in these consolidated financial statements.

On March 18, 2024, the subsidiary of the Company, Megan Mezanin Sdn Bhd ("MMSB") incorporated a 80.00%-owned subsidiary in the Malaysia namely Megan Technologies Sdn. Bhd. ("MTSB") by way of subscription of 80 ordinary shares for a cash consideration amounting to MYR80.

On July 22, 2024, MTSB increased its issued and paid-up share capital by way of allotment and issuance of 199,900 new ordinary shares to MMSB, at MYR1 per ordinary share for an aggregate cash consideration of MYR199,900. As a result, MMSB increased its percentage of effective ownership from 80.00% to 99.99%.

*Ordinary Shares*



**MEGAN HOLDINGS LIMITED**

**EF HUTTON LLC**

*Sole Book-Running Manager*

, 2024

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## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our M&A provide the directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be entitled to be indemnified and held harmless out of the assets of the Company against all actions, proceedings, costs, charges, damages, expenses (including reasonable legal and/or accountancy fees), claims, losses or liabilities which he may sustain or incur by reason of any act done or omitted in or about the execution of the duties of his office or trust or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted, and no Director or person as aforementioned shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or trust or in relation thereto provided that he acted in good faith and in a manner reasonably believed by him (in the case of a Director) to be in the best interests of the Company and provided further that his actions did not involve negligence, willful default, fraud or dishonesty.

To the extent permitted by law, we may make a payment, or agree to make a payment, whether by way of advance, loan or otherwise, for any legal costs incurred by an existing or former secretary or any of our officers in respect of any matter identified in above on condition that the secretary or officer must repay the amount paid by us to the extent that it is ultimately found not liable to indemnify the secretary or that officer for those legal costs.

The Underwriting Agreement, the form of which has been filed as Exhibit 1.1 to this Registration Statement, will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

#### ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

Upon incorporation of the Company in Cayman Islands, we have share capital of US\$50,000 and issued an aggregate of 1 Ordinary Share of a par value of US\$0.0001 per share in the Company to Mr. Darren Hoo at par value. These shares were issued in reliance on the exemption under Section 4(a)(2) and/or Regulation S of the Securities Act.

On May 15, 2023, Mr. Darren Hoo completed the transfer of the 1 Ordinary Share to SSL for the total consideration of US\$0.0001.

On July 31, 2024, the Company entered into a Share Swap Agreement with the shareholders of MMSB, namely, SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC for the purpose of acquiring the entire issued share capital of MMSB, as part of the re-organization undertaken by the Company. As part of the terms of the Share Swap Agreement, SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC as the shareholders of MMSB shall dispose their respective shares in MMSB, representing in aggregate 100% of the issued share capital of MMSB, to MHL and the Company shall acquire the entire issued shares in MMSB. The consideration for the share transfers was based on the net tangible assets value of MMSB as at December 31, 2023 of approximately USD 6,500,000.00 and was to be satisfied by the allotment and issuance of 14,999,999 Ordinary Shares in aggregate to SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC, each credited as fully paid, in proportion to their respective shareholdings in MMSB. Following the completion of the Share Swap Agreement

on July 31, 2024, MHL is now the holding company of MMSB. Following the completion of the Share Swap Agreement, the issued share capital of the Company is now 15,000,000 Ordinary Shares and SSL, USSB, YHCML, ECGL, KLSB, KBSB, Malama and SJCC are now collectively the shareholders of MHL.

**ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.**

**(a) Exhibits**

See Exhibit Index beginning on page II-5 of this registration statement.

**(b) Financial Statement Schedules**

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

**ITEM 9. UNDERTAKINGS.**

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes to file post-effective amendment to the registration statement to include any financial statements required by Item 8.A of Form 20-F at the start of any delayed offering or throughout a continuous offering
- (3) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (4) For the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

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- (5) For the purpose of determining any liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
  - (ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
  - (iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
  - (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

## SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Malaysia, on August 8, 2024.

### MEGAN HOLDINGS LIMITED

By: /s/ Hoo Wei Sern

Name: Hoo Wei Sern

Title: Executive Director, Chairman and  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Kai Tie Ng

Name: Kai Tie Ng

Title: Chief Financial Officer  
(Principal Accounting and Financial Officer)

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Date: August 8, 2024

/s/ Darren Hoo

Darren Hoo  
Executive Director, Chairman and  
Chief Executive Officer  
(Principal executive officer)

Date: August 8, 2024

/s/ Kai Tie Ng

Kai Tie Ng  
Chief Financial Officer  
(Principal Accounting and Financial Officer)



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**SIGNATURE OF AUTHORIZED REPRESENTATIVE OF THE REGISTRANT**

Pursuant to the Securities Act, the undersigned, the duly authorized representative in the United States of America, has signed this registration statement or amendment thereto in New York, New York, United States of America on August 8, 2024.

AUTHORIZED U.S. REPRESENTATIVE

By: */s/ Colleen A. De Vries*

Name: Colleen A. De Vries

Title: Senior Vice-President on behalf of Cogency  
Global Inc.

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## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
1.1**	<a href="#">Form of Underwriting Agreement</a>
3.1*	<a href="#">Restated Memorandum and Articles of Association</a>
5.1*	<a href="#">Opinion of Forbes Hare regarding the validity of the ordinary share being registered</a>
8.1*	<a href="#">Opinion of Enolil Loo LLP regarding certain Malaysian tax matters (included in Exhibit 99.1)</a>
10.1*	<a href="#">Employment Agreement between MHL and Mr. Darren Hoo</a>
10.2*	<a href="#">Employment Agreement between MHL and Mr. Kai Tie Ng</a>
10.3*	<a href="#">Independent Director Offer Letter between MHL and Mr. Long Jia Kwang</a>
10.4*	<a href="#">Independent Director Offer Letter between MHL and Mr. Tse Yin Sum</a>
10.5*	<a href="#">Material contract between MMSB and North Cube Sdn Bhd dated June 30, 2022</a>
10.6*	<a href="#">Material contract between MMSB and Pelican Prospect Sdn Bhd dated April 28, 2023</a>
10.7*	<a href="#">Material contract between MMSB and Sea Sanctuary Sdn Bhd dated April 28, 2023</a>
10.8*	<a href="#">Material contract between MMSB and Kheng Builders Sdn Bhd dated April 28, 2023</a>
10.9*	<a href="#">Share Swap Agreement</a>
10.10*	<a href="#">Loan agreement between MMSB and Maybank dated April 5, 2023.</a>
10.11*	<a href="#">Independent Director Offer Letter between MHL and Ms. Lai Yee Yee</a>
14.1*	<a href="#">Code of Business Conduct and Ethics of the Registrant</a>
14.2*	<a href="#">Insider Trading Policy of the Registrant</a>
14.3*	<a href="#">Clawback Policy of the Registrant</a>
21.1*	<a href="#">List of Subsidiaries of the Registrant</a>
23.1*	<a href="#">Consent of WWC, P.C.</a>
23.2*	<a href="#">Consent of Forbes Hare (included in Exhibit 5.1)</a>
23.3*	<a href="#">Consent of Enolil Loo LLP (included in Exhibit 99.1)</a>
23.4*	<a href="#">Consent of Protégé Associates Sdn. Bhd.</a>
99.1*	<a href="#">Opinion of Enolil Loo LLP</a>
99.2*	<a href="#">Audit Committee Charter</a>
99.3*	<a href="#">Nominating Committee Charter</a>
99.4*	<a href="#">Compensation Committee Charter</a>
99.5*	<a href="#">Consent of Mr. Long Jia Kwang as an independent director nominee</a>
99.6*	<a href="#">Consent of Mr. Tse Yin Sum as an independent director nominee</a>
99.7*	<a href="#">Consent of Lai Yee Yee as an independent director nominee</a>
107*	<a href="#">Filing Fee table</a>

† Previously filed

\* Filed herewith.

\*\* To be filed by amendment.

THE COMPANIES ACT (2023 REVISION)

EXEMPTED COMPANY LIMITED BY SHARES



**FORBES HARE**

TRUST COMPANY

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**AMENDED AND RESTATED MEMORANDUM AND  
ARTICLES OF ASSOCIATION**

**of**

**MEGAN HOLDINGS LIMITED**

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Amended and restated by Special Resolution dated October 30, 2023

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Amended and restated by Special Resolution dated October 30, 2023

**THE COMPANIES ACT (2023 REVISION)**

**EXEMPTED COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION**

**OF**

**Megan Holdings Limited  
(the “Company”)**

**Amended and restated by special resolution dated October 30, 2023**

1. The name of the Company is **Megan Holdings Limited**.
2. The Company is a company limited by shares.

3. The registered office of the Company will be situate at the offices of **Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands**, or at such other place as the Directors may determine.
4. Subject to paragraph 6 of this Memorandum, the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act (2023 Revision). PROVIDED THAT the Company shall only carry on the businesses for which a license is required under the laws of the Cayman Islands when so licensed under the terms of such laws.
5. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Companies Act (2023 Revision).
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; Provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.
8. THE AUTHORISED SHARE CAPITAL of the Company is fifty thousand United States dollars (US\$50,000.00) divided into five hundred million (500,000,000) shares of a nominal or par value of US\$0.0001 each provided always that subject to the provisions of the Companies Act (2023 Revision) and the Articles of Association of the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore contained.
9. The Company shall not have the power to issue shares to bearer.
10. The Company may exercise the powers contained in the Companies Act (2023 Revision) to transfer and be registered by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be de-registered in the Cayman Islands.

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Amended and restated by Special Resolution dated October 30, 2023

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**AMENDED AND RESTATED ARTICLES OF  
ASSOCIATION**

**OF**

**MEGAN HOLDINGS LIMITED**

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Amended and restated by Special Resolution dated October 30, 2023

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Amended and restated by Special Resolution dated October 30, 2023

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**THE COMPANIES ACT (2023 REVISION)**  
**EXEMPTED COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

**OF**

**Megan Holdings Limited**  
**(the “Company”)**

**Amended and restated by special resolution dated October 30, 2023**

**PRELIMINARY**

1. The regulations in Table “A” in the First Schedule to the Law (as defined below) shall not apply to the Company except insofar as they are repeated or contained in these Articles.

**INTERPRETATION**

2. In these Articles, if not inconsistent with the subject or context, the following expressions shall have the following meanings:
- 2.1 “Articles” means the present articles of association and all supplementary, amended or substituted articles for the time being in force.
- “Auditors” means the persons for the time being performing the duties of auditors of the Company.
- “Company” means the above named company.
- “debenture” means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not.
- “Designated Stock Exchange” means any national securities exchange in the United States of America on which Public Shares of the Company may be listed for trading, including the NASDAQ Capital Market, NASDAQ Stock Market LLC, the NYSE MKT LLC, NYSE American or The New York Stock Exchange LLC.
- “Directors” means the directors for the time being of the Company.
- “electronic facilities” includes without limitation, website addresses and conference call systems, virtual conferencing and any device, system, procedure, method or any other facility whatsoever providing an electronic means of attendance at or participation in (or both) at a meeting of the members or directors.

Amended and restated by Special Resolution dated October 30, 2023

“Law” means the Companies Act (2023 Revision) of the Cayman Islands and every statutory modification or re-enactment thereof for the time being in force.

“member” has the meaning assigned to it in the Law.

“Memorandum of Association” means the present memorandum of association and all supplementary amended or substituted memoranda of the Company for the time being in force.

“Ordinary Resolution” means a resolution passed by a simple majority of the votes cast of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles and includes a written resolution passed pursuant to these Articles.

“Relevant System” means a system utilised for the purposes of holding and transferring shares of the Company.

“Secretary” means any person appointed to perform the duties of secretary of the Company and shall include an assistant secretary. “share” includes a fraction of a share.

“Securities” means shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire Shares or debt obligations.

“Special Resolution” has the meaning assigned to it in the Law.

- 2.2 Expressions defined in the Law, or any statutory modification or re-enactment thereof in force at the date on which these Articles become binding on the Company, shall have the meanings so defined.
- 2.3 Words importing the singular number shall include the plural number and *vice versa*.
- 2.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 2.5 Persons shall include corporations.
- 2.6 The headings are intended for convenience and shall not affect the construction of these Articles.

Amended and restated by Special Resolution dated October 30, 2023

### **SHARES**

3. Subject to the provisions, if any, in the Memorandum of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the Directors may from time to time determine and, subject to the provisions of the Law, any share may, with the sanction of a Special Resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.
4. No shares shall be issued to bearer.
5. The Company may subject to the provision of the Law acquire, hold and dispose of its own shares as treasury shares.

### **DIRECTORS AUTHORITY TO ISSUE SHARES**

- Subject to the provisions of these Articles relating to shares, the shares shall be at the disposal of the Directors and they may (subject to the provisions of the Law) allot, issue, grant options over or otherwise dispose of shares of the Company (including fractions of a share) with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, but so that no share shall be issued at a discount, except in accordance with the provisions of the Law, and so that in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than such percentage of the nominal amount of the share as shall be determined by the Directors.
- 6.

### **SHARE CERTIFICATES**

- Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the seal of the Company specifying the share or shares held by him and the amount paid-up thereon provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
- 7.
- If a share certificate is worn out, defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one United States dollar and on such terms, if any, as to evidence and indemnity as the Directors may prescribe.
- 8.

Amended and restated by Special Resolution dated October 30, 2023

### **REGISTER OF MEMBERS**

- The Directors shall keep or cause to be kept at the Registered Office or such other place determined by the Directors the register of members containing such particulars relating to each member as they may deem appropriate provided that the following particulars are recorded:
- 9.
- (a) the name and address of each member, a statement of the shares of each class held by him and of the amount paid, or agreed to be considered as paid, on such shares;
  - (b) the date on which the name of each person was entered in the register of members as a member; and
  - (c) the date on which any person ceased to be a member.

The Company shall not be bound to register more than four persons as joint holders of any share. If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share. Members holding shares will have no general right under the Law to inspect or obtain copies of our register of members or corporate records unless authorised by the Board or the Company in general meeting.

### **TRANSFER OF SHARES**

- The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof provided that the Directors may waive execution by the transferee of the instrument of transfer but shall, as soon as possible thereafter, inform the transferee of such waiver of execution.
- 10.

- Transfers of shares may be effected by an instrument of transfer in the usual common form or in or for listed shares in a form prescribed by the Designated Stock Exchange or in such other form as the Directors may approve. All instruments of transfer must be left at the registered office of the Company or at such other place as the Directors may appoint and all such instruments of transfer shall be retained by the Company. If the transferor or transferee is a clearing house or its nominee(s) the transfer instrument may be signed or executed by hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time.
- 11.



12. Where shares are not listed on or subject to the rules of a Designated Stock Exchange, the Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share. The Directors may also decline to recognise any instrument of transfer unless the instrument of transfer is accompanied by any share certificate to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. If the Directors refuse to register a transfer of any shares they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Amended and restated by Special Resolution dated October 30, 2023

13. The registration of transfers may, on 14 calendar days' notice being given by advertisement in such one or more newspapers or by being posted on a website or by other electronic means be suspended at such time and for such periods as the Directors may from time to time determine. The registration of transfers, however, may not be suspended, and the register may not be closed, for more than 30 days in any year.

14. Notwithstanding any other provisions of the Memorandum of Association and the Articles, shares in the Company may be transferred by means of a Relevant System and the operator of the Relevant System (and any other person necessary to ensure the Relevant System is effective to transfer shares) shall act as agent of the members for the purposes of the transfer of any shares transferred by means of the Relevant System. If the Shares in question were issued in conjunction with rights, options or warrants on terms that one cannot be transferred without the other, the directors shall refuse to register the transfer of any such share without evidence satisfactory to them of the like transfer of such option or warrant.

#### **REDEEMABLE SHARES**

15. (a) Subject to the provisions of the Law and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as the Company, before the issue of the shares, may by special resolution determine.

- (b) Subject to the Law and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares and fractional shares) provided that the manner of purchase has first been authorised by a resolution of the shareholders, and may make payment in any manner authorised or not prohibited by law, including out of capital.

#### **VARIATION OF SHARE RIGHTS**

16. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be one person holding or representing by proxy at least one third of the issued shares of the class (but so that if, at any adjourned meeting of such holders, a quorum as defined above is not present, those members who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each share of the class of which he is the holder.

Amended and restated by Special Resolution dated October 30, 2023

17. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith.

### **COMMISSION ON SALE OF SHARES**

18. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Law shall be observed and complied with. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

### **NON-RECOGNITION OF TRUSTS**

19. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share (except only as is otherwise provided by these Articles, by law or under an order of a court of competent jurisdiction) or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **LIEN**

20. The Company shall have a first and paramount lien on every share (whether fully paid or not) registered in the name of a member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such member or his estate, either alone or jointly with any other person, whether a member or not, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

21. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be fulfilled or discharged, and until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default has been given to the registered holder for the time being of the share, or the persons entitled thereto by reason of his death, incapacity or bankruptcy.

Amended and restated by Special Resolution dated October 30, 2023

22. The net proceeds of such sale by the Company after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement, in respect of which the lien exists, of such part of the amount in respect of which the lien exists so far as the same is presently payable and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the person entitled to the shares at the date of the sale.

23. For giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

### **CALLS ON SHARES**

24. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof

made payable at fixed times. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made. A call may be revoked or postponed at the determination of the Directors.

25. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other moneys due in respect thereof.

26. A copy of the notice referred to in the preceding Article shall be sent in the manner in which notices may be sent to members by the Company as provided herein.

27. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.

28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from such day appointed for payment to the time of actual payment at such rate not exceeding fifteen per cent. per annum as the Directors may determine but the Directors shall be at liberty to waive payment of such interest either wholly or partly.

Amended and restated by Special Resolution dated October 30, 2023

29. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all sums or instalments due from him to the Company in respect of any call, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

30. Any sum which by the terms of issue of a share becomes payable on allotment or on any fixed date (whether on account of the nominal value of the share or by way of premium or otherwise) shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

31. The Directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

32. The Directors may, if they think fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) as the Directors may decide. The Directors may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of their intention in that regard, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

### **FORFEITURE OF SHARES**

33. If a member fails to pay any call or instalment of a call or to make any payment required by the terms of the issue on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call, instalment or payment remains unpaid, serve a notice on him requiring payment of so much of the call, instalment or payment as is unpaid, together with any interest which may have accrued and all expenses incurred by the Company by reason of such non-payment.

34. The notice shall name a day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

Amended and restated by Special Resolution dated October 30, 2023

35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share, and not actually paid before forfeiture.
36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and, at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit.
37. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with interest thereon, but his liability shall cease if and when the Company receives payment in full of all moneys whenever payable in respect of the shares.
38. A certificate in writing under the hand of a Director or the Secretary of the Company that a share in the Company has been duly sold, forfeited or otherwise disposed of on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in relation to the sale, forfeiture or disposal of the share.
39. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time (whether on account of the nominal value of the share or by way of premium or otherwise) as if the same had been payable by virtue of a call duly made and notified.

#### **REGISTRATION OF EMPOWERING INSTRUMENTS**

40. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letter of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

Amended and restated by Special Resolution dated October 30, 2023

#### **TRANSMISSION OF SHARES**

41. In the case of the death of a member, the legal personal representative of a deceased sole shareholder shall be the only person recognised by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased shareholder, shall be the only persons recognised by the Company as having any title to the share. Provided however, that nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held him solely or jointly with other persons.
42. Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the

Directors and subject as hereinafter provided, elect either to be registered as a member in respect of the share or to make such transfer of the share to such person as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy (as the case may be). If the person so being entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

43. A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. The Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within ninety days, the Directors may, if such shares are redeemable at the option of the Company, redeem such shares but, in the meantime, the Directors may elect to withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### **ALTERATION OF SHARE CAPITAL**

44. Subject to and in so far as permitted by the provisions of the Law, the Company may from time to time by Special Resolution alter or amend its Memorandum of Association with respect to any objects, powers or other matters specified therein provided always that the Company may by ordinary resolution:

- (a) increase the share capital by such amount as the Company in general meeting may determine, provided that if the Company has no shares of a fixed amount it may increase its share capital by such number of shares without nominal or par value or may increase the aggregate consideration for which such shares may be issued;

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- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any part of its paid-up shares into stock and reconvert that stock into paid-up shares of any denomination;
- (d) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association provided that the proportion of any amounts unpaid on the shares shall remain unchanged; or
- (e) cancel any shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish its share capital by the amount such cancelled shares, provided that if the Company has no shares of a fixed amount it may diminish the number of shares into which its capital is divided.

45. All new shares created under the preceding Article shall be considered as though part of the original capital and shall be subject to the same provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.

46. The Company may by Special Resolution, and subject to and in accordance with the provisions of the Law, reduce its share capital and any capital redemption reserve fund in any manner whatsoever.

47. Subject to the provisions of the Law, the Company may by resolution of the Directors change the location of its registered office.

#### **CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE**

48. Unless the Directors determine otherwise, the members entitled to receive notice of or to vote at a meeting of members or members entitled to receive payment of a dividend shall be the date on which notice of the meeting is mailed or the date on

which the resolution of the Directors declaring such dividend is adopted, as the case may be, which shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof.

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**STATUTORY MEETINGS**

- Subject to paragraph (c) hereof, the Company shall within one (1) year of its incorporation and in each year of its existence thereafter hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the registered office on the second Wednesday in December of each year at ten o'clock in the morning.
49. (a) Subject to paragraph (c) hereof, the Company shall within one (1) year of its incorporation and in each year of its existence thereafter hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the registered office on the second Wednesday in December of each year at ten o'clock in the morning.
- (b) At these meetings the report of the Directors (if any) shall be presented.
- (c) If the Company is exempted as defined in the Law it may, but shall not be obliged to, hold an annual general meeting.

**GENERAL MEETINGS**

- The majority of the Directors or the Chairman may, whenever they think fit, convene a general meeting. If, at any time, there are not sufficient Directors capable of acting to form a quorum, any Director or any one member of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. The Chairman shall be elected by a majority of the Directors in attendance at any meeting of the board of Directors prior to such meeting.
50. The majority of the Directors or the Chairman may, whenever they think fit, convene a general meeting. If, at any time, there are not sufficient Directors capable of acting to form a quorum, any Director or any one member of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. The Chairman shall be elected by a majority of the Directors in attendance at any meeting of the board of Directors prior to such meeting.

- The Directors shall, upon the requisition in writing of one or more members holding in the aggregate not less than one tenth of such paid-up capital of the Company which, as at the date of the requisition, carries the right of voting at general meetings, convene a general meeting. Any such requisition shall express the object of the meeting proposed to be called, shall be signed by the requisitionists and shall be left at the registered office of the Company. If the Directors do not proceed to convene a general meeting within twenty one days from the date of such requisition being left as aforesaid, the requisitionists or any of them or any other member or members holding in the aggregate not less than one tenth of such paid-up capital of the Company which, as at the date of the requisition, carries the right of voting at general meetings, may convene an extraordinary general meeting to be held at such place and time as they shall appoint, subject to the Company's Articles as to notice. Any such meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty one days.
51. The Directors shall, upon the requisition in writing of one or more members holding in the aggregate not less than one tenth of such paid-up capital of the Company which, as at the date of the requisition, carries the right of voting at general meetings, convene a general meeting. Any such requisition shall express the object of the meeting proposed to be called, shall be signed by the requisitionists and shall be left at the registered office of the Company. If the Directors do not proceed to convene a general meeting within twenty one days from the date of such requisition being left as aforesaid, the requisitionists or any of them or any other member or members holding in the aggregate not less than one tenth of such paid-up capital of the Company which, as at the date of the requisition, carries the right of voting at general meetings, may convene an extraordinary general meeting to be held at such place and time as they shall appoint, subject to the Company's Articles as to notice. Any such meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty one days.

- A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.
52. A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

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**NOTICE OF GENERAL MEETINGS**

- Subject to the provisions of the Law relating to Special Resolutions, five days' notice at the least (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which the notice is given) specifying the place, the day and the hour of the general meeting and the general nature of the business shall be given in the manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meeting, to such persons as are, under the
53. Subject to the provisions of the Law relating to Special Resolutions, five days' notice at the least (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which the notice is given) specifying the place, the day and the hour of the general meeting and the general nature of the business shall be given in the manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meeting, to such persons as are, under the

Articles, entitled to receive such notices from the Company. The notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution.

54. Notwithstanding that a meeting of the Company is called by shorter notice than that referred to these Articles, it shall be deemed to have been duly called if it is so agreed by in the case of a general meeting called as an annual general meeting by a majority in number of the members of the Company entitled to attend and vote thereat being a majority together holding not less than 51 per cent in nominal value or in the case of shares without nominal or par value 51 per cent of the shares in issue, or their proxies and in the case of any other general meeting by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 51 per cent in nominal value or in the case of shares without nominal or par value 51 per cent of the shares in issue, or their proxies.

55. The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by, any member entitled to receive notice shall not invalidate the proceedings at any meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

56. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. No business other than the appointment of a chairman of a general meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. At any general meeting of the Company, two (2) members entitled to vote and present in person or by proxy or (in the case of a member being a corporation) by its duly authorised representative representing not less than one-third in nominal value of the total issued voting shares in the Company throughout the meeting shall form a quorum for all purposes.

57. If, within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week, at the same time and place and if, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum and may transact the business for which the meeting was called.

58. The Chair, if any, of the board of Directors shall preside as Chair at every general meeting of the Company. If there is no such Chair, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chair, the Directors present shall choose one of their number to be Chair of the meeting.

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59. If at any general meeting no Director is willing to act as Chair or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be Chair of the meeting.

60. The Chair may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

61. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chair of the meeting or any member present in person or by proxy entitled to vote. Unless a poll is so demanded, a declaration by the Chair of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

62. If a poll is duly demanded it shall be taken in such manner as the Chair of the meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of the Chair of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken

at such time as the Chair of the meeting directs and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The demand for a poll may be withdrawn.

63. In the case of an equality of votes, whether on a show of hands or on a poll, the Chair of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

#### **PARTICIPATION AT MEETINGS OF MEMBERS THROUGH ELECTRONIC FACILITIES**

64. The directors may by resolution of directors authorise members, their proxies or representatives and any other persons entitled to attend and participate at a meeting of members to do so by simultaneous attendance and participation by means of virtual conferencing or other electronic facilities. The directors may determine the means or different means of attendance and participation at the meeting of members. The members present in person, by proxy or representative by way of virtual conferencing or other electronic facilities (as selected by the directors) shall be counted in the quorum for, and be entitled to participate in the relevant meeting of members. The meeting of members shall be properly constituted and its proceedings valid if the Chair (as defined below) is satisfied that adequate facilities are available during the meeting of members to ensure that members attending the meeting by all means are able to:

- (a) participate in the business for which the meeting of members was convened;

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- (b) hear all persons who speak at the meeting of members; and  
(c) be heard by all other persons attending and participating in the meeting.

65. The directors may by resolution of directors authorise members, their proxies or representatives and any other persons entitled to attend and participate at a meeting of members to do so by simultaneous attendance and participation at a satellite meeting place or places anywhere in the world. The members present in person, by proxy or representative at satellite meeting places shall be counted in the quorum for and entitled to participate in the relevant meeting of members. The meeting of members shall be properly constituted and its proceedings valid if the Chair (as defined below) is satisfied that adequate facilities are available during the meeting of members to ensure that members attending at the principal and satellite meeting places by all means are able to:

- (a) participate in the business for which the meeting of members was convened;  
(b) hear all persons who speak (whether by the use of microphone, loudspeakers, audio visual communications equipment or virtual conferencing of other means) at the principal meeting place and any satellite meeting place; and  
(c) be heard by all other persons attending and participating in the meeting of members at the principal meeting place and any satellite meeting place.

66. The meeting shall be deemed to take place at the place where the Chair is present (the principal meeting place) and the powers of the Chair shall apply equally to each satellite meeting place.

#### **VOTES OF MEMBERS**

67. Except as otherwise required by law or as set forth herein, the holder of each share issued and outstanding shall have one vote for each share held by such holder, at the record date for determination of the members entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of members is solicited.

68. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members.



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69. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy.
70. No member shall be entitled to vote at any general meeting unless he is registered as a member of the Company on the record date for such meeting and all calls or other such sums presently payable by him in respect of shares in the Company have been paid.
71. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chair of the meeting whose decision shall be final and conclusive.
72. On a poll or a show of hands votes may be given personally or by proxy.

#### **RESOLUTIONS IN WRITING**

73. A resolution in writing (whether ordinary or special and whether in one or more counterparts) signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

#### **PROXIES**

74. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).
75. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

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76. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power of attorney or other authority, shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting no later than the time as the notice may specify before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and, in default, the instrument of proxy may, at the option of the Company, not be treated as valid. The Chair of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of an electronic confirmation from the appointer that the instrument of proxy duly signed is in the course of transmission to the Company.
77. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form or such other form as the Directors may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy

to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.

78. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which it is sought to use the proxy.

#### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

79. Any corporation which is a member of the Company may, in accordance with its articles of association or, in the absence of such provision, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
80. Shares of its own capital belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time.

#### **DIRECTORS AND OFFICERS**

81. Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than one or be more than twelve and the names of the first Directors shall be determined in writing by a majority of the subscribers to the Memorandum of Association.

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82. Thereafter, and subject as otherwise provided in these Articles, Directors shall be appointed by a resolution of the Company or by the Directors. At a general meeting, a motion for the appointment of two or more persons as Directors may be made by a single resolution.

#### **POSITION OF RETIRING DIRECTOR**

83. A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be re-appointed. If he is not re-appointed or deemed to have been re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

84. The remuneration to be paid to the Directors shall be such remuneration as the Directors shall determine. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

85. The Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

86. A Director or officer of the Company may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director or officer of the Company for such period and on such terms (as to remuneration and otherwise) as the Directors may determine.

87. Any Director or officer of the Company may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or officer provided that nothing herein contained shall authorise a Director or officer or his firm to act as auditor of the Company.
88. The share qualification for a Director may be fixed by the Company in general meeting and, unless and until so fixed, no qualification shall be required.
89. A Director or officer of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such Director or officer shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

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90. No Director or officer of the Company shall be disqualified by his office from holding any office or place of profit under the Company or under any company in which the Company shall be a member or otherwise interested, or from contracting or dealing with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director or officer shall be in any way interested, be avoided, nor shall any Director or officer be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of such Director or officer holding that office or of the fiduciary relations thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is taken into consideration if his interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interest. A general notice of disclosure or otherwise contained in the minutes of the meeting that a Director or officer is a member of any specified firm or company, and is to be regarded as interested in all transactions with that firm or company, shall be a sufficient disclosure under this Article as regards such Director or officer and the said transactions, and after such general notice it shall not be necessary for such Director or officer to give a special notice relating to any particular transaction with that firm or company.
91. A Director or officer of the Company may, notwithstanding his interest, be counted in the quorum present at any meeting at which he or any other Director or officer is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

#### **ALTERNATE DIRECTORS**

92. Any Director may in writing appoint any person to be his alternate to act in his place at any meeting of the Directors at which he is unable to attend. Every such alternate shall be entitled to notice of meetings of the Directors and to attend and vote at such meetings as a Director when the person appointing him is not personally present and, where he is a Director, to have a separate vote on behalf of the Director he is representing in addition to his own vote. An alternate shall vacate office if and when his appointer ceases to be a Director or removes the appointee from office. Every such alternate shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him. An alternate need not hold any share qualification.

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#### **POWERS AND DUTIES OF DIRECTORS**

93. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting-up and registering the Company and may exercise all such powers of the Company as are not, by the Law or these Articles, required to be exercised by the Company in general meeting subject, nevertheless, to any regulations of these Articles, to the provisions of the Law, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting but no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

94. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

95. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

96. The Directors shall cause minutes to be made in books provided for the purpose:

(a) of all appointments of officers of the Company made by the Directors;

(b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

of all resolutions and proceedings at each meeting of the Company and of the Directors and of any committee of the Directors.

97. The Directors may, on behalf of the Company, pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

98. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, bonds and other Securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

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### **MANAGEMENT**

99. (a) The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

(b) The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration.

(c) The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

- (d) Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

### **PROCEEDINGS OF DIRECTORS**

100. The Directors shall meet together for the conduct of business, convening, adjourning and otherwise regulating their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes of the Directors and alternate Directors present at a meeting at which there is a quorum, the vote of an alternate Director not being counted if his appointer is present at such meeting. In case of an equality of votes, the Chair shall have a second or casting vote.

101. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless so fixed, shall be two provided always that, if there is only a sole Director, that Director shall be a quorum and such Director may transact business by written resolution as if a meeting were being held under the provisions of these Articles.

102. The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

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103. The Directors may elect a Chair of their meetings and determine the period for which he is to hold office but if no such Chair is elected, or if at any meeting the Chair is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chair of the meeting.

104. The Directors may delegate any of their powers to committees consisting of such member or members of the board of Directors (including alternate Directors in the absence of their appointers) as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors.

105. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chair shall have a second or casting vote.

106. All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or alternate Director, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified to be a Director or alternate Director as the case may be.

107. Members of the board of Directors or of any committee thereof may participate in a meeting of the board or of such committee by means of conference telephone, virtual conferencing, electronic facilities or other electronic means by which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

108. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of Directors (an alternate Director being entitled to sign such resolution on behalf of his appointer) shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee as the case may be duly convened and held.

### **VACATION OF OFFICE OF DIRECTOR**

109. The office of Director shall, *ipso facto*, be vacated if the Director:

- (a) dies; or

- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or

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- (c) in the opinion of a registered medical practitioner by whom the Director is being treated the Director is physically or mentally incapable of acting as a director; or
- (d) is made subject to any law relating to mental health or incompetence, whether by court order or otherwise; or
- (e) is prohibited by the laws of the Cayman Islands from acting as a Director; or
- (f) only held office as a director for a fixed term and such term has expired; or
- (g) is required to resign in accordance with the Company's corporate governance policy (as amended from time to time); or
- (h) resigns his office by notice in writing to the Company; or
- (i) he shall for more than three consecutive meetings have been absent from Directors' meetings (without being represented by an alternate Director) without permission of the Directors and the remaining Directors resolve that his office be vacated.

#### **APPOINTMENT AND REMOVAL OF DIRECTORS**

110. The Directors shall hold and continue in office until the expiration of their term or until their successors are elected or appointed.
111. The Company may, by Ordinary Resolution, appoint any person to be a Director, remove any Director and/or appoint another person in his stead.
112. The Directors may, by a resolution approved by the board of Directors, appoint any person to be a Director and remove any one of their number as a Director.
113. The Directors shall have the power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors (exclusive of alternate Directors) shall not at any time exceed the number fixed in accordance with these Articles.

#### **PRESUMPTION OF ASSENT**

114. A Director who is present at a meeting of the board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right of dissent shall not apply to a Director who voted in favour of such action.

Amended and restated by Special Resolution dated October 30, 2023

#### **SEAL**

115. (a) The Company may, if the Directors so determine, have a Seal which shall, subject to paragraph (c) hereof, only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and every instrument to which the Seal has been affixed shall be signed by one person who shall be either a Director or the Secretary or Secretary-Treasurer or some person appointed by the Directors for the purpose.
- (b) The Company may have a duplicate Seal or Seals each of which shall be a facsimile of the Common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
- (c) A Director, Secretary or other officer or representative or attorney may without further authority of the Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

### **OFFICERS**

116. The Company may have a President, a Secretary or Secretary-Treasurer appointed by the Directors who may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe.

### **DIVIDENDS AND RESERVES**

117. Subject to the Law, the Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorise payment of the same out of the funds of the Company lawfully available therefor. In addition to the foregoing and subject to any rights and restrictions for the time being attached to any shares, the Company by Ordinary Resolution may declare dividends (including interim dividends) and distributions on shares of the Company, but no dividend or distribution shall exceed the amount recommended by the Directors.

118. The Directors may, before declaring any dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to dividend.

Amended and restated by Special Resolution dated October 30, 2023

119. No dividend or distribution shall be payable except out of the profits of the Company, realised or unrealised, or out of the share premium account or as otherwise permitted by the Law.
120. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends or distributions, all dividends or distributions shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
121. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
122. The Directors may declare that any dividend or distribution may be paid either wholly or partly by the distribution of specific assets and, in particular, of paid-up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and, in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all members,

and may vest any such specific assets in trustees upon trust for the members entitled to the dividend as may seem expedient to the Directors.

123. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque, warrant, order or other similar form of payment (including transmission of funds through a bank transfer or other funds transfer system or by such other electronic means as permitted by these Articles or in accordance with the facilities and requirements of the Relevant System concerned) sent:

(a) through the post directed to the registered address of the member or person entitled thereto or, in the case of joint holders, to any one of such joint holders at his registered address or to such person and such address as the member or person entitled or such joint holders, as the case may be, may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holders, as the case may be, may direct;

(b) in accordance with the terms of the Relevant System.

124. For uncertificated shares, any payment may be made by means of the Relevant System (subject always to the facilities and requirements of the Relevant System) and such payment may be made by the Company or any person on its behalf by sending an instruction to the operator of the Relevant System to credit the cash memorandum account of the holder or joint holders of such shares or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.

Amended and restated by Special Resolution dated October 30, 2023

125. If several persons are registered as joint holders of any share, any of them may give effectual receipts for any dividends, bonuses or other moneys payable on or in respect of the share.

126. No dividend shall bear interest against the Company.

127. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company.

### **CAPITALISATION OF PROFITS**

128. The Company may upon the recommendation of the directors by ordinary resolution authorise the directors to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to shareholders in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the directors shall do all acts and things required to give effect to such capitalisation, with full power to the directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the shareholders concerned). The Directors may authorise any person to enter on behalf of all of the shareholders interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

129. Whenever such a resolution as aforesaid has been passed, the Directors shall make all appropriations and applications of the undivided profits or balances standing to the credit of the relevant reserve account resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or debentures to which they may be entitled upon such capitalisation,



or as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

Amended and restated by Special Resolution dated October 30, 2023

**BOOKS OF ACCOUNT**

130. The Directors shall cause proper books of account to be kept with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
  - (b) all sales and purchases of goods by the Company; and
  - (c) the assets and liabilities of the Company.

Proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

131. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.
132. The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

**AUDIT**

133. The Company may at any annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the next annual general meeting and may fix his or their remuneration.
134. The Directors may before the first annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint the Auditors. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Directors.

Amended and restated by Special Resolution dated October 30, 2023

135. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
136. Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Directors or any general meeting of the members, make a report on the accounts of the Company in general meeting during their tenure of office.

## NOTICES

137. Notices, statements, reports or other records (“Information”) required or permitted by the Law or these Articles shall be in writing and may be given by the Company to any Member or the relevant person by the any of the following methods:
- (a) either personally or by sending it by post, cable, telex or telecopy to him/ her or to his/ her address as shown in:
    - 137.1.1 for Information mailed to a member, the register of members;
    - 137.1.2 for Information mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that Information of that class;
    - 137.1.3 in any other case, the mailing address of the intended recipient;
  - (b) by sending the Information by email to the email address provided by the intended recipient for the sending of Information of that class;
  - (c) by sending the Information through a Relevant System, where the notice or document relates to uncertificated shares;
  - (d) where appropriate, by making it available on a website and notifying the member of its availability in accordance with this article;
  - (e) by any other means authorised in writing by the member or person.

Amended and restated by Special Resolution dated October 30, 2023

138. Such notice, if mailed, to be forwarded airmail if the address be outside the Cayman Islands;
- (a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected at the expiration of sixty (60) hours after the letter containing the same is posted as aforesaid.
  - (b) Where a notice is sent by cable, telex, or telecopy, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization and to have been effected on the day the same is sent as aforesaid.
139. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register of members in respect of the share.
- A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankruptcy, or by any like description at the address, if any, supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 140.
141. Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (a) every member holding shares entitling the holder thereof to attend meetings of the Company except those members who have not supplied to the Company an address for the giving of notices to them; and

- (b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting.

No other person shall be entitled to receive notices of general meetings.

### **LIQUIDATION OF THE COMPANY**

142. Subject to the Law and these Articles, the Company may be wound up by a Special Resolution, or if the winding up is initiated by the Directors, by either a Special Resolution or, if the Company is unable to pay its debts as they fall due, by an Ordinary Resolution.

143. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between members or different classes of members. The liquidator may with the like sanction vest the whole or any part of the assets in trustees upon such trusts for the benefit of contributories as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Amended and restated by Special Resolution dated October 30, 2023

### **INDEMNITY**

144. Every Director or other officer of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives shall be entitled to be indemnified and held harmless out of the assets of the Company against all actions, proceedings, costs, charges, damages, expenses (including reasonable legal and/or accountancy fees), claims, losses or liabilities which he may sustain or incur by reason of any act done or omitted in or about the execution of the duties of his office or trust or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, and no Director or person as aforementioned shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or trust or in relation thereto provided that he acted in good faith and in a manner reasonably believed by him (in the case of a Director) to be in the best interests of the Company and provided further that his actions did not involve negligence, wilful default, fraud or dishonesty.

### **FINANCIAL YEAR**

145. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31 December in each year and shall begin on 1 January in each year.

### **AMENDMENT OF MEMORANDUM AND ARTICLES**

146. Subject to the provisions of the Law, the Company may by Special Resolution change its name, amend its objects or alter or amend these Articles either in whole or in part.

### **TRANSFER BY WAY OF CONTINUATION**

147. If the Company is exempted as defined in the Law, it shall, subject to the provisions of the Law, and with the sanction of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

Forbes Hare  
Cassia Court  
Camana Bay

Suite 716, 10 Market Street  
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Cayman Islands

**DD:** +1 284 852 1899  
**E:** Jose.santos@forbeshare.com  
**Our Ref:** MHL/SG4218.001



**FORBES HARE**

**Your Ref:** SG4218.001

Megan Holdings Limited  
c/o Vistra (Cayman) Limited  
P.O. Box 31119  
Grand Pavilion

Hibiscus Way  
802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

08 August 2024

Dear Sirs

**Megan Holdings Limited (the “Company”)**

We are lawyers licensed and qualified to practice law in the Cayman Islands. We have acted as special Cayman Islands counsel to the Company to provide this legal opinion in connection with the Company’s Registration Statement on Form F-1, including all amendments or supplements thereto (with the version thereof having been received by us on 25 July 2024 being deemed to be the final version for the purposes of the issue of this opinion, the “**Registration Statement**”), filed with the Securities and Exchange Commission (the “**Commission**”) under the United States Securities Act of 1933, as amended, related to the offering and sale of 1,250,000 ordinary shares of US\$0.0001 par value in the Company (the “**Firm Shares**”) and up to 187,500 ordinary shares to the underwriter pursuant to an option to purchase up to 15% of the total number of the Firm Shares to cover over-allotments, if any (the “**Over-allotment Shares**”, the Over-allotment Shares together with the Firm Shares, collectively, the “**Shares**”).

**1. Documents Reviewed and Searches**

We have reviewed originals, copies or drafts of the following documents and have examined such other documents and considered such legal matters as we have deemed necessary for the purpose of rendering this legal opinion:

- 1.1 For the purposes of giving this opinion, we have examined the corporate and other documents (the “**Documents**”) and conducted the searches (the “**Searches**”) listed below. We have not made any searches or enquiries concerning, and have not examined any documents entered into by or affecting the Company or any other person, save for the searches, enquiries and examinations expressly referred to herein:

- 1.1.1 the Certificate of Incorporation of the Company dated 7 December 2022 issued by the registrar of Companies of the Cayman Islands (the “**Registrar**”);
- 1.1.2 the stamped copy of the Company’s amended and restated Memorandum and Articles of Association dated 8 January 2024;
- 1.1.3 a certificate of incumbency issued by the registered office of the Company, Vistra (Cayman) Limited signed on 4 March 2024 and stating that the Company is in Good Standing in the Cayman Islands (the “**Incumbency Certificate**”);
- 1.1.4 the director resolutions provided to us by the registered office of the Company (the “**Registered Office**”) dated 7 December 2022, 30 October 2023 and 31 July 2024;
- 1.1.5 the resolutions of the shareholders of the Company dated 7 December 2022 and 8 January 2024;
- 1.1.6 the Register of Writs at the office of the Clerk of Courts in the Cayman Islands as inspected by us on 31 July 2024 (the “**Register of Writs**”); and
- 1.1.7 the Registration Statement.

## 2 Assumptions

In giving this opinion we have assumed, without further verification, the completeness and accuracy of the Documents and Searches and that the information contained therein or resulting therefrom remains accurate and complete as at the date of this opinion. We have also relied upon the following assumptions, which we have not independently verified:

- 2.1 copies of the Documents, conformed copies or drafts of the Documents provided to us are true and complete copies of, or in the final forms of, the originals;
- 2.2 all signatures, seals, dates, stamps and other markings are genuine;
- 2.3 the statement in the Incumbency Certificate that the Company is in Good Standing accurately reflects the good standing status of the Company with the Registrar as at the date of this opinion;
- 2.4 the accuracy and completeness of all factual representations expressed in or implied by the Documents we have examined;

- 2.5 each of the Certificate of Incumbency and the Register of Writs is accurate and complete as at the date of this opinion;
- 2.6 that all public records of the Company which we have examined are accurate and that the information disclosed by the Searches which we conducted against the Company is true and complete and that such information has not since then been altered and that such Searches did not fail to disclose any information relevant to the issuing of this opinion;
- 2.7 that we have been provided a full and complete record of the corporate documents constituting the minute book of the Company which is relevant to the issuing of this opinion and that such record remains accurate as at the date of issue of this opinion;
- 2.8 where any Document has been provided to us in draft or undated form, that Document has been executed by all parties in materially the form provided to us and, where we have been provided with successive drafts of a Document marked to show changes from a previous draft, all such changes have been accurately marked;

- 2.9 each of the parties to the Documents (as appropriate) other than the Company is duly incorporated, formed or organised (as applicable), validly existing and in good standing under all relevant laws as at the date of issue of this opinion;
- 2.10 each Document has been duly authorised, executed and unconditionally delivered by or on behalf of all parties to it in accordance with applicable law and its terms;
- 2.11 each Document (as appropriate) has been duly authorised, executed and unconditionally delivered by or on behalf of all parties to it in accordance with applicable law and its terms;
- 2.11 in authorising the execution and delivery of the Documents (as appropriate) by the Company, the exercise of its rights and performance of its obligations under the Documents, each of the directors of the Company has acted in good faith with a view to the best interests of the Company and has exercised the standard of care, diligence and skill that is required of him or her;
- 2.12 each Document (as appropriate) has been duly executed and unconditionally delivered by the Company in the manner authorised in the relevant Director resolutions (the “**Director Resolutions**”) and that such Director Resolutions have been validly approved;
- 2.13 none of the opinions expressed herein will be adversely affected by the laws or public policies of any jurisdiction other than the Cayman Islands. In particular, but without limitation to the previous sentence: (a) the laws or public policies of any jurisdiction other than the Cayman Islands will not adversely affect the capacity or authority; and (b) neither the execution or delivery of the Documents nor the exercise by any party to the Documents of its rights or the performance;

- 2.14 there are no agreements, documents or arrangements (other than the documents expressly referred to in this opinion as having been examined by us) that materially affect or modify the Documents or the transactions contemplated by them or restrict the powers and authority of the Company in any way;
- 2.15 none of the transactions contemplated by the Documents relate to any shares, voting rights or other rights that are subject to a restrictions notice issued pursuant to the Companies Act (as amended) of the Cayman Islands (the “**Act**”);
- 2.16 the Shares shall be issued at an issue price in excess of the par value thereof; and
- 2.17 there is nothing under any law (other than the law of the Cayman Islands) which would or might affect the opinions hereinafter appearing. Specifically, we have made no independent investigation of the laws of Malaysia or the United States of America.

### 3 **Opinion**

Based upon, and subject to, the foregoing assumptions and the qualifications set out in section 4 below, and having regard to such legal considerations as we consider relevant, we are of the opinion that:

- 3.1 the Company is an exempted company limited by shares and incorporated under the Act, in good standing with the Registrar at the Register of Companies in the Cayman Islands and validly existing under the laws of the Cayman Islands, and possesses the capacity to sue and be sued in its own name;
- 3.2 the Company is authorised to issue 500,000,000 shares of a nominal or par value US\$0.0001 each;
- 3.3 the Shares to be offered and sold by the Company as contemplated by the Registration Statement when issued by the Company against payment in full, of the consideration, in accordance with the terms set out in the Registration Statement and duly registered in the Company’s register of members (shareholders), such Shares will be validly issued, fully paid and non-assessable (meaning that no further sums are payable to the Company on such securities);
- 3.4 the statement in the Registration Statement under the caption “Cayman Islands Taxation” in so far as it constitutes a summary or description of the laws and regulations of the Cayman Islands is accurate and fairly presents a summary of Cayman Islands law. To the extent that the discussion relates to matters of Cayman Islands tax law under the “Taxation Section” in the Registration Statement, it represents our opinion; and

3.5 the statement in the Registration Statement under the caption “Enforceability of Civil Liabilities” in so far as it constitutes a summary or description of the laws and regulations of the Cayman Islands is accurate and fairly presents a summary of Cayman Islands law. To the extent that the discussion relates to matters of Cayman Islands laws or treaties under the “Enforceability of Civil Liabilities” Section in the Registration Statement, it represents our opinion.

#### 4 Qualifications

The opinions expressed above are subject to the following qualifications:

4.1 under the Act annual returns in respect of the Company must be filed with the Registrar, together with payment of annual filing fees. A failure to file annual returns and pay annual filing fees may result in the Company being struck off the Register of Companies, following which its assets will vest in the Financial Secretary of the Cayman Islands and will be subject to disposition;

4.2 “in good standing” means only that as of the date of the Incumbency Certificate (and subject to assumption 2.3 above) the Company is up-to-date with the filing of its annual returns and payment of annual fees with the Registrar. We have made no enquiries into the Company’s good standing with respect to any filings or payment of fees, or both, that it may be required to make under the laws of the Cayman Islands other than the filing of its annual returns and payment of annual fees with the Registrar;

4.3 we are not aware of any Cayman Islands authority as to when the courts would set aside the limited liability of a shareholder in a Cayman Islands company. Our opinion on the subject is based on the Act and English common law authorities, the latter of which are persuasive but not binding in the courts of the Cayman Islands. Under English authorities, circumstances in which a court would attribute personal liability to a shareholder are very limited, and include: (a) such shareholder expressly assuming direct liability (such as a guarantee); (b) the company acting as the agent of such shareholder; (c) the company being incorporated by or at the behest of such shareholder for the purpose of committing or furthering such shareholder’s fraud, or for a sham transaction otherwise carried out by such shareholder;

4.4 we have not reviewed a good standing certificate issued by the Registrar in relation to the good standing status of the Company confirming that the Company is in good standing with the Registrar and have relied solely on the statement to this effect in the Incumbency Certificate for the purposes of issuing this opinion;

4.5 in this opinion, the phrase “non-assessable” means, with respect to the Shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the Shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstance in which a court may be prepared to pierce or lift the corporate veil);

4.6 our examination of the Register of Writs cannot conclusively reveal whether or not there is: (a) any current or pending litigation in the Cayman Islands against the Company; or (b) any application for the winding up or dissolution of the Company or the appointment of any liquidator or trustee in bankruptcy as notice of these matters might not be entered on the Register of Writs immediately or updated expeditiously or the court file associated with the matter or the matter itself may not be publicly available (for example, due to sealing orders having been made). Furthermore, we have not conducted a search of the summary court;

4.7 the obligations of the Company may be subject to restrictions pursuant to United Nations sanctions as implemented under the laws of the Cayman Islands;

4.8 under Cayman Islands law, the register of members (shareholders) is prima facie evidence of title to shares and this register would not record a third party interest in such shares. However, there are certain limited circumstances where an application may be made to a Cayman Islands court for a determination on whether the register of members reflects the correct legal position.

Further, the Cayman Islands court has the power to order that the register of members maintained by a company should be rectified where it considers that the register of members does not reflect the correct legal position. As far as we are aware, such applications are rarely made in the Cayman Islands and for the purposes of the opinion given in opinion 3.3, there are no circumstances or matters of fact known to us on the date of this opinion which would properly form the basis for an application for an order for rectification of the register of members of the Company, but if such an application were made in respect of the Shares, then the validity of such Shares may be subject to re-examination by a Cayman Islands court.

4.9 we make no comment with regard to any references to foreign statutes in the Registration Statement; and

4.10 this opinion is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion. This opinion only relates to the laws of the Cayman Islands which are in force on the date of this opinion.

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## 5 Consents

In connection with the above opinion, we hereby consent:

5.1 to the use of our name in the Registration Statement, the prospectus constituting a part thereof and all amendments thereto under the caption “Legal Matters”, “Taxation”, and “Enforceability of Civil Liabilities”; and

5.2 to the filing of this opinion as an exhibit to the Registration Statement.

This opinion is limited to the matters detailed herein and is not to be read as an opinion with respect to any other matter.

Yours faithfully

/s/ Forbes Hare

**Forbes Hare**

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Page 7 of 7





**MEGAN MEZANIN SDN BHD**

(202001005142(1361462-A))  
Suite 48. Unit 3A-01A, Level 3A  
Glo Damansara, No. 699  
Jalan Damansara, 60000 Kuala Lumpur  
EMAIL: mmsb.general@gmail.com

18 April 2023

**PRIVATE & CONFIDENTIAL**

**Hoo Wei Sern (841103-14-6587)**

56, Jalan Bidara 3/2  
Taman Bidara,  
68100 Batu Caves,  
Selangor

Dear Mr. Hoo,

**OFFER OF EMPLOYMENT**

We are pleased to offer you a **Chief Executive Officer** position in our Company, Megan Mezanin Sdn Bhd, (hereinafter “the Company”), with the following remuneration package:

1. Salary : RM 14,500 per month
2. Annual Leave : Fourteen (14) paid working days leave per calendar year
3. Sick Leave : No hospitalisation required - 14 days per calendar year Hospitalisation is necessary - 60 days per calendar year
4. Annual Bonus : Subject to your work performance and Company’s overall profit performance.
5. Medical Benefits : RM 14,500.00 per calendar year.
6. Public Holidays : According to gazetted Malaysian Public Holiday

Our employment offer, however, is subject to the following terms and conditions:

1. Commencement Date : 1<sup>st</sup> May 2023
2. Acceptance of the offer : Within Seven (7) days receipt hereof



**MEGAN MEZANIN SDN BHD**

(202001005142(1361462-A))  
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EMAIL: mmsb.general@gmail.com

### **Statutory Contributions**

We shall each make the requisite contributions to the Employees Provident Fund (EPF), SOCSO, EIS or any other lawful deductions in accordance with the statutory requirements at the required rate.

### **Annual Leave**

Any known leave shall be applied one (1) weeks in advance before the actual leave date. Any emergency leave will be deducted from your annual leave balance. When the leave balance is fully utilised, any further leave taken will be treated as unpaid leave.

When you are on leave, please make sure that there is someone else in presence can help you to follow up issues, especially on a known critical issue, so that our daily operation is not greatly affected.

### **Sick Leave**

Sick leave entitlement is subject to the presentation of a medical certificate, issued by a registered medical practitioner, within 48 hours upon return to work and to the provision of the Employment Act 1955.

### **Conflict of Interest**

We expect you to not venture into any kind of activities that may be in conflict with our Company's interests. Before assuming other opportunities for financial gain whilst within our employment, you will need to get our prior written approval.



**MEGAN MEZANIN SDN BHD**

(202001005142(1361462-A))  
Suite 48. Unit 3A-01A, Level 3A  
Glo Damansara, No. 699  
Jalan Damansara, 60000 Kuala Lumpur  
EMAIL: mmsb.general@gmail.com

### **Confidentiality Information**

All dealings and matters related to our business and operations and that of our clients are required to be maintained in strict confidence. They shall be treated as ours and our clients' trade secrets and you are not to disclose any of them to any unauthorised party.

### **Statutory Enactment**

The contents of these Terms & Conditions are subjected to the provisions of all relevant statutory enactments in force during your employment with us. Should there be any discrepancy between the contents of these Terms & Conditions and the provisions of the statutory enactments, the provisions of the statutory enactments shall prevail to resolve such conflict and all other Terms & Conditions of this employment offer letter shall remain in effect.

### **Ending the Employment**

Your employment may be ended at any time by either of us serving on the other:

- (i) One (1) month's written notice or One (1) month's salary in lieu of such period notice.

Upon termination, on your last working day, you are required to hand over/ return all company's property which was given to you to perform your employment duties.

**Business Requirements**

In order to ensure that our continued progress meets our overall business objectives, we may need to reallocate available resources from time to time. Consequently, you acknowledge and accept that we may need to:

- i) Vary your designation and/ or your work responsibilities from time to time as may be necessary;
- ii) Transfer you to a department that has a need to benefit from your qualifications or experience;
- iii) Transfer or second your employment with us to any of our associate companies.



**MEGAN MEZANIN SDN BHD**

(202001005142(1361462-A))  
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Jalan Damansara, 60000 Kuala Lumpur  
EMAIL: mmsb.general@gmail.com

The Company maintains the right to review, change, amend, delete or add to the aforesaid policies, term and conditions as the Management of the Company deem fit and appropriate, at which time the changes will be made known to you in writing.

If the above terms and conditions are acceptable to you, kindly acknowledge the same by returning the signed duplicate of the letter.

Your faithfully,

**MEGAN MEZANIN SDN BHD**

**HOO WEI SERN**  
**Director**

---

To : **MEGAN MEZANIN SDN BHD**

I hereby to confirm acceptance the above terms of employment.

Signed by,

**/s/ Hoo Wei Sern**

---

**HOO WEI SERN**  
**(841103-14-6587)**





MEGAN MEZANIN SDN BHD

(202001005142(1361462-A))  
Suite 48. Unit 3A-01A, Level 3A  
Glo Damansara, No. 699  
Jalan Damansara, 60000 Kuala Lumpur  
EMAIL: mmsb.general@gmail.com

24 July 2023

**PRIVATE & CONFIDENTIAL**

**NG KAI TIE (860501-23-6661)**

10, Jalan Nibong 5,  
Taman Daya,  
81100, Johor Bahru,  
Johor.

Dear Mr. Ng Kai Tie,

**OFFER OF EMPLOYMENT**

We are pleased to offer you a **Chief Financial Officer** position in our Company, Megan Mezanin Sdn Bhd, (hereinafter “the Company”), with the following remuneration package:

1. Salary : RM 10,000 per month
2. Annual Leave : Fourteen (14) paid working days leave per calendar year
3. Sick Leave : No hospitalisation required - 14 days per calendar year  
Hospitalisation is necessary - 60 days per calendar year
4. Annual Bonus : Subject to your work performance and Company’s overall profit performance.
5. Medical Benefits : RM 500.00 per calendar year.
6. Public Holidays : According to gazetted Malaysian Public Holiday

Our employment offer, however, is subject to the following terms and conditions:

1. Commencement Date : 1<sup>st</sup> August 2023
2. Acceptance of the offer : Within Seven (7) days receipt hereof
3. Probation : 3 Months



**MEGAN MEZANIN SDN BHD**

(202001005142(1361462-A))  
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EMAIL: mmsb.general@gmail.com

### **Statutory Contributions**

We shall each make the requisite contributions to the Employees Provident Fund (EPF), SOCSO, EIS or any other lawful deductions in accordance with the statutory requirements at the required rate.

### **Annual Leave**

Any known leave shall be applied one (1) weeks in advance before the actual leave date. Any emergency leave will be deducted from your annual leave balance. When the leave balance is fully utilised, any further leave taken will be treated as unpaid leave.

When you are on leave, please make sure that there is someone else in presence can help you to follow up issues, especially on a known critical issue, so that our daily operation is not greatly affected.

### **Sick Leave**

Sick leave entitlement is subject to the presentation of a medical certificate, issued by a registered medical practitioner, within 48 hours upon return to work and to the provision of the Employment Act 1955.

### **Conflict of Interest**

We expect you to not venture into any kind of activities that may be in conflict with our Company's interests. Before assuming other opportunities for financial gain whilst within our employment, you will need to get our prior written approval.

### **Confidentiality Information**

All dealings and matters related to our business and operations and that of our clients are required to be maintained in strict confidence. They shall be treated as ours and our clients' trade secrets and you are not to disclose any of them to any unauthorised party.



**MEGAN MEZANIN SDN BHD**

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Glo Damansara, No. 699  
Jalan Damansara, 60000 Kuala Lumpur  
EMAIL: mmsb.general@gmail.com

### **Statutory Enactment**

The contents of these Terms & Conditions are subjected to the provisions of all relevant statutory enactments in force during your employment with us. Should there be any discrepancy between the contents of these Terms & Conditions and the provisions of the statutory enactments, the provisions of the statutory enactments shall prevail to resolve such conflict and all other Terms & Conditions of this employment offer letter shall remain in effect.

### **Ending the Employment**

Your employment may be ended at any time by either of us serving on the other:

- (i) Two (2) month's written notice or Two (2) month's salary in lieu of such period notice.

Upon termination, on your last working day, you are required to hand over/ return all company's property which was given to you to perform your employment duties.

**Business Requirements**

In order to ensure that our continued progress meets our overall business objectives, we may need to reallocate available resources from time to time. Consequently, you acknowledge and accept that we may need to:

- i) Vary your designation and/ or your work responsibilities from time to time as may be necessary;
- ii) Transfer you to a department that has a need to benefit from your qualifications or experience;
- iii) Transfer or second your employment with us to any of our associate companies.



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Glo Damansara, No. 699  
Jalan Damansara, 60000 Kuala Lumpur  
EMAIL: mmsb.general@gmail.com

The Company maintains the right to review, change, amend, delete or add to the aforesaid policies, term and conditions as the Management of the Company deem fit and appropriate, at which time the changes will be made known to you in writing.

If the above terms and conditions are acceptable to you, kindly acknowledge the same by returning the signed duplicate of the letter.

Your faithfully,

**MEGAN MEZANIN SDN BHD**

**HOO WEI SERN**  
**Director**

---

To : **MEGAN MEZANIN SDN BHD**

I hereby to confirm acceptance the above terms of employment.

Signed by,

/s/ Ng Kai Tie

---

**NG KAI TIE**  
**(860501-23-6661)**

**Megan Holdings Limited**  
**B-01-07, Gateway Corporate Suites**  
**Jalan Desa Kiara,**  
**50480 Mont Kiara,**  
**Kuala Lumpur, Malaysia**

September 25, 2023

**Re: Director Offer Letter – Hoo Wei Sern**

Dear **Hoo Wei Sern**:

**Megan Holdings Limited**, a Cayman Islands exempted company (the “Company” or “we”), is pleased to offer you a position as executive director of the Company. We believe your background and experience will be a significant asset to the Company and we look forward to your participation as a Director in the Company. Should you choose to accept this position as Director, this letter agreement (the “Agreement”) shall constitute an agreement between you and the Company and contains all the terms and conditions relating to the services you agree to provide to the Company. Your appointment shall also be subject to the approval of Company’s Board of Directors and/or Nomination and Compensation Committees and shall begin upon Company’s listing on the Nasdaq Capital Market.

**1. Term.** This Agreement is effective upon Company’s listing on the Nasdaq Capital Market for a term of 5 years. Your term as a Director shall continue subject to the provisions in Section 9 below or until your successor is duly elected and qualified. The position shall be up for re-appointment every year by the board of the Directors of the Company (the “Board”) and upon re-appointment, the terms and provisions of this Agreement shall remain in full force and effect.

**2. Services.** You shall render customary services as Director (hereinafter, your “Duties”). During the term of this Agreement, you may attend and participate at each meeting regarding the business and operation issues of the Company as regularly or specially called, via teleconference, video conference or in person. You shall consult with the members of the Board and committee (if any) regularly and as necessary via telephone, electronic mail or other forms of correspondence.

**3. Services for Others.** You shall be free to represent or perform services for other persons during the term of this Agreement.

**4. Compensation.** The compensation for your services to the Company will be included in your employment agreement with Megan Mezanin Sdn Bhd.

You shall be reimbursed for reasonable expenses incurred by you in connection with the performance of your Duties (including travel expenses for in-person meetings).

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**5. D&O Insurance Policy.** During the term under this Agreement, the Company shall include you as an insured under its officers and directors insurance policy, if available.

**6. No Assignment.** Because of the personal nature of the services to be rendered by you, this Agreement may not be assigned by you without the prior written consent of the Company.

**7. Confidential Information; Non-Disclosure.** In consideration of your access to certain Confidential Information (as defined below) of the Company, in connection with your business relationship with the Company, you hereby represent and agree as follows:

**a. Definition.** For purposes of this Agreement the term “Confidential Information” means: (i) any information which the Company possesses that has been created, discovered or developed by or for the Company, and which has or could have commercial value or utility in the business in which the Company is engaged; (ii) any information which is related to the business of the Company and is generally not known by non-Company personnel; and (iii) Confidential Information includes, without limitation, trade secrets and



any information concerning products, processes, formulas, designs, inventions (whether or not patentable or registrable under copyright or similar laws, and whether or not reduced to practice), discoveries, concepts, ideas, improvements, techniques, methods, research, development and test results, specifications, data, know-how, software, formats, marketing plans, and analyses, business plans and analyses, strategies, forecasts, customer and supplier identities, characteristics and agreements.

**b. Exclusions.** Notwithstanding the foregoing, the term Confidential Information shall not include: (i) any information which becomes generally available or is readily available to the public other than as a result of a breach of the confidentiality portions of this Agreement, or any other agreement requiring confidentiality between the Company and you; (ii) information received from a third party in rightful possession of such information who is not restricted from disclosing such information; (iii) information known by you prior to receipt of such information from the Company, which prior knowledge can be documented and (iv) information you are required to disclose pursuant to any applicable law, regulation, judicial or administrative order or decree, or request by other regulatory organization having authority pursuant to the law; provided, however, that you shall first have given prior written notice to the Company and made a reasonable effort to obtain a protective order requiring that the Confidential Information not be disclosed.

**c. Documents.** You agree that, without the express written consent of the Company, you will not remove from the Company's premises, any notes, formulas, programs, data, records, machines or any other documents or items which in any manner contain or constitute Confidential Information, nor will you make reproductions or copies of same. You shall promptly return any such documents or items, along with any reproductions or copies to the Company upon the Company's demand, upon termination of this Agreement, or upon your termination or Resignation (as defined in Section 9 herein).

**d. Confidentiality.** You agree that you will hold in trust and confidence all Confidential Information and will not disclose to others, directly or indirectly, any Confidential Information or anything relating to such information without the prior written consent of the Company, except as may be necessary in the course of your business relationship with the Company. You further agree that you will not use any Confidential Information without the prior written consent of the Company, except as may be necessary in the course of your business relationship with the Company, and that the provisions of this paragraph (d) shall survive termination of this Agreement. Notwithstanding the foregoing, you may disclose Confidential Information to your legal counsel and accounting advisors who have a need to know such information for accounting or tax purposes and who agree to be bound by the provisions of this paragraph (d).

**e. Ownership.** You agree that the Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designations, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by you during the term of this Agreement and that arise out of your Duties (collectively, "**Inventions**") and you will promptly disclose and provide all Inventions to the Company. You agree to assist the Company, at its expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights assigned.

**8. Non-Solicitation.** During the term of your appointment, you shall not solicit for employment any employee of the Company with whom you have had contact due to your appointment.

**9. Termination and Resignation.** Your services as a Director may be terminated for any or no reason by the determination of the Board. You may also terminate your services as a Director for any or no reason by delivering your written notice of resignation to the Company ("Resignation"), and such Resignation shall be effective upon the time specified therein or, if no time is specified, upon receipt of the notice of resignation by the Company. Upon the effective date of the termination or Resignation, your right to compensation hereunder will terminate subject to the Company's obligations to pay you any compensation that you have already earned and to reimburse you for approved expenses already incurred in connection with your performance of your Duties as of the effective date of such termination or Resignation.

**10. Governing Law; Arbitration.** All questions with respect to the construction and/or enforcement of this Agreement, and the rights and obligations of the parties hereunder, shall be determined in accordance with the law of the State of New York. All disputes with respect to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the American Arbitration Association at its New York office in force when the Notice of Arbitration is submitted. The law of this

arbitration clause shall be New York law. The seat of arbitration shall be in New York. The number of arbitrators shall be one. The arbitration proceedings shall be conducted in English.

**11. Entire Agreement; Amendment; Waiver; Counterparts.** This Agreement expresses the entire understanding with respect to the subject matter hereof and supersedes and terminates any prior oral or written agreements with respect to the subject matter hereof. Any term of this Agreement may be amended and observance of any term of this Agreement may be waived only with the written consent of the parties hereto. Waiver of any term or condition of this Agreement by any party shall not be construed as a waiver of any subsequent breach or failure of the same term or condition or waiver of any other term or condition of this Agreement. The failure of any party at any time to require performance by any other party of any provision of this Agreement shall not affect the right of any such party to require future performance of such provision or any other provision of this Agreement. This Agreement may be executed in separate counterparts each of which will be an original and all of which taken together will constitute one and the same agreement, and may be executed using facsimiles of signatures, and a facsimile of a signature shall be deemed to be the same, and equally enforceable, as an original of such signature.

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**12. Indemnification.** The Company shall, to the maximum extent provided under applicable law, indemnify and hold you harmless from and against any expenses, including reasonable attorney's fees, judgments, fines, settlements and other legally permissible amounts ("Losses"), incurred in connection with any proceeding arising out of, or related to, your performance of your Duties, other than any such Losses incurred as a result of your gross negligence or willful misconduct. The Company shall advance to you any expenses, including reasonable attorneys' fees and costs of settlement, incurred in defending any such proceeding to the maximum extent permitted by applicable law. Such costs and expenses incurred by you in defense of any such proceeding shall be paid by the Company in advance of the final disposition of such proceeding promptly upon receipt by the Company of (a) written request for payment; (b) appropriate documentation evidencing the incurrence, amount and nature of the costs and expenses for which payment is being sought; and (c) an undertaking adequate under applicable law made by or on your behalf to repay the amounts so advanced if it shall ultimately be determined pursuant to any non-appealable judgment or settlement that you are not entitled to be indemnified by the Company.

**13. Acknowledgement.** You accept this Agreement subject to all the terms and provisions of this Agreement. You agree to accept as binding, conclusive, and final all decisions or interpretations of the Board of Directors of the Company of any questions arising under this Agreement.

The Agreement has been executed and delivered by the undersigned and is made effective as of the date set first set forth above.

Sincerely,

**MEGAN HOLDINGS LIMITED**

*/s/ Hoo Wei Sern*

---

Hoo Wei Sern

Chairman

**AGREED AND ACCEPTED:**

*/s/ Hoo Wei Sern*

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Name : **Hoo Wei Sern**

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**Megan Holdings Limited**  
**B-01-07, Gateway Corporate Suites**  
**Jalan Desa Kiara,**  
**50480 Mont Kiara,**  
**Kuala Lumpur, Malaysia**

**AGREEMENT**

**September 25, 2023**

**Re: Independent Director Offer Letter – Long Jia Kwang**

Dear **Mr. Long Jia Kwang**

**Megan Holdings Limited**, a Cayman Islands exempted company (the “Company” or “we”), is pleased to offer you a position as an Independent Director of the Company. We believe your background and experience will be a significant asset to the Company and we look forward to your participation as an Independent Director in the Company. Should you choose to accept this position as an Independent Director, this letter agreement (the “Agreement”) shall constitute an agreement between you and the Company and contains all the terms and conditions relating to the services you agree to provide to the Company. Your appointment shall begin upon Company’s listing on the Nasdaq Capital Market (the “Commencement Date”).

**1. Term.** This Agreement is effective upon the Commencement Date and shall continue for a period of one year from the Commencement Date subject to the provisions in Section 9 below or until your successor is duly elected and qualified.

**2. Services.** You shall render customary services as an Independent Director and such other duties as are reasonably contemplated by you holding office as an independent director of the Company or which may reasonably be assigned to you by the Board from time to time, including being member of the committee(s) of the Board (hereinafter, your “Duties”). During the term of this Agreement, you may attend and participate at each meeting regarding the business and operation issues of the Company as regularly or specially called, via teleconference, video conference or in person. You shall consult with the members of the Board and committee (if any) regularly and as necessary via telephone, electronic mail or other forms of correspondence.

**3. Services for Others.** You shall be free to represent or perform services for other persons during the term of this Agreement.

**4. Compensation.** As compensation for your services to the Company, you will receive a monthly compensation of USD\$1,000, payable on the 16<sup>th</sup> day of each month commencing one (1) month after the Commencement Date

**5. D&O Insurance Policy.** During the term under this Agreement, the Company shall include you as an insured under its officers and directors’ insurance policy, if available.

**6. No Assignment.** Because of the personal nature of the services to be rendered by you, this Agreement may not be assigned by you without the prior written consent of the Company.

**7. Confidential Information; Non-Disclosure.** In consideration of your access to certain Confidential Information (as defined below) of the Company, in connection with your business relationship with the Company, you hereby represent and agree as follows:

**a. Definition.** For purposes of this Agreement the term “Confidential Information” means: (i) any information which the Company possesses that has been created, discovered or developed by or for the Company, and which has or could have commercial value or utility in the business in which the Company is engaged; (ii) any information which is related to the business of the Company and is generally not known by non-Company personnel; and (iii) Confidential Information includes, without limitation, trade secrets and any information concerning products, processes, formulas, designs, inventions (whether or not patentable or registrable under copyright or similar laws, and whether or not reduced to practice), discoveries, concepts, ideas, improvements, techniques, methods, research, development and test results, specifications, data, know-how, software, formats, marketing plans, and analyses, business plans and analyses, strategies, forecasts, customer and supplier identities, characteristics and agreements.

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**b. Exclusions.** Notwithstanding the foregoing, the term Confidential Information shall not include: (i) any information which becomes generally available or is readily available to the public other than as a result of a breach of the confidentiality portions of this Agreement, or any other agreement requiring confidentiality between the Company and you; (ii) information received from a third party in rightful possession of such information who is not restricted from disclosing such information; (iii) information known by you prior to receipt of such information from the Company, which prior knowledge can be documented and (iv) information you are required to disclose pursuant to any applicable law, regulation, judicial or administrative order or decree, or request by other regulatory organization having authority pursuant to the law; provided, however, that you shall first have given prior written notice to the Company and made a reasonable effort to obtain a protective order requiring that the Confidential Information not be disclosed.

**c. Documents.** You agree that, without the express written consent of the Company, you will not remove from the Company's premises, any notes, formulas, programs, data, records, machines or any other documents or items which in any manner contain or constitute Confidential Information, nor will you make reproductions or copies of same. You shall promptly return any such documents or items, along with any reproductions or copies to the Company upon the Company's demand, upon termination of this Agreement, or upon your termination or Resignation (as defined in Section 9 herein).

**d. Confidentiality.** You agree that you will hold in trust and confidence all Confidential Information and will not disclose to others, directly or indirectly, any Confidential Information or anything relating to such information without the prior written consent of the Company, except as may be necessary in the course of your business relationship with the Company. You further agree that you will not use any Confidential Information without the prior written consent of the Company, except as may be necessary in the course of your business relationship with the Company, and that the provisions of this paragraph (d) shall survive termination of this Agreement. Notwithstanding the foregoing, you may disclose Confidential Information to your legal counsel and accounting advisors who have a need to know such information for accounting or tax purposes and who agree to be bound by the provisions of this paragraph (d).

**e. Ownership.** You agree that the Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designations, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by you during the term of this Agreement and that arise out of your Duties (collectively, "**Inventions**") and you will promptly disclose and provide all Inventions to the Company. You agree to assist the Company, at its expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights assigned.

**8. Non-Solicitation.** During the term of your appointment, you shall not solicit for employment any employee of the Company with whom you have had contact due to your appointment.

**9. Termination and Resignation.** Your services as an Independent Director may be terminated for any or no reason by the determination of the Board (including any failure to elect you for an ensuing term at any annual meeting of the Board). You may also terminate your services as an Independent Director for any or no reason by delivering your written notice of resignation to the Company ("Resignation"), and such Resignation shall be effective upon the time specified therein or, if no time is specified, upon receipt of the notice of resignation by the Company. Upon the effective date of the termination or Resignation, your right to compensation hereunder will terminate subject to the Company's obligations to pay you any compensation that you have already earned as of the effective date of such termination or Resignation.

**10. Governing Law; Arbitration.** All questions with respect to the construction and/or enforcement of this Agreement, and the rights and obligations of the parties hereunder, shall be determined in accordance with the law of the State of New York. All disputes with respect to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the American Arbitration Association at its New York office in force when the Notice of Arbitration is submitted. The law of this arbitration clause shall be New York law. The seat of arbitration shall be in New York. The number of arbitrators shall be one. The arbitration proceedings shall be conducted in English.

**11. Entire Agreement; Amendment; Waiver; Counterparts.** This Agreement expresses the entire understanding with respect to the subject matter hereof and supersedes and terminates any prior oral or written agreements with respect to the subject matter hereof. Any term of this Agreement may be amended and observance of any term of this Agreement may be waived only with the written consent of the parties hereto. Waiver of any term or condition of this Agreement by any party shall not be construed as a waiver of any subsequent breach or failure of the same term or condition or waiver of any other term or condition of this Agreement. The failure of any party at any time to require performance by any other party of any provision of this Agreement shall not affect the right of any such party to require future performance of such provision or any other provision of this Agreement. This Agreement may be executed in separate counterparts each of which will be an original and all of which taken together will constitute one and the same agreement, and may be executed using facsimiles of signatures, and a facsimile of a signature shall be deemed to be the same, and equally enforceable, as an original of such signature.

**12. Indemnification.** The Company shall, to the maximum extent provided under applicable law, indemnify and hold you harmless from and against any expenses, including reasonable attorney's fees, judgments, fines, settlements and other legally permissible amounts ("Losses"), incurred in connection with any proceeding arising out of, or related to, your performance of your Duties, other than any such Losses incurred as a result of your gross negligence or willful misconduct. The Company shall advance to you any expenses, including reasonable attorneys' fees and costs of settlement, incurred in defending any such proceeding to the maximum extent permitted by applicable law. Such costs and expenses incurred by you in defense of any such proceeding shall be paid by the Company in advance of the final disposition of such proceeding promptly upon receipt by the Company of (a) written request for payment; (b) appropriate documentation evidencing the incurrence, amount and nature of the costs and expenses for which payment is being sought; and (c) an undertaking adequate under applicable law made by or on your behalf to repay the amounts so advanced if it shall ultimately be determined pursuant to any non-appealable judgment or settlement that you are not entitled to be indemnified by the Company.

**13. Acknowledgement.** You accept this Agreement subject to all the terms and provisions of this Agreement. You agree to accept as binding, conclusive, and final all decisions or interpretations of the Board of Directors of the Company of any questions arising under this Agreement.

The Agreement has been executed and delivered by the undersigned and is made effective as of the date set first set forth above.

Sincerely,

**Megan Holdings Limited**

By: /s/ Hoo Wei Sern

Hoo Wei Sern

Chairman & Chief Executive Officer

**AGREED AND ACCEPTED:**

/s/ Long Jia Kwang

Name: Long Jia Kwang

**NEW SHRIMP FARM DEVELOPMENT CONTRACT**

**DATED THE 30<sup>TH</sup> DAY OF JUNE 2022**

**BETWEEN**

**NORTH CUBE SDN BHD  
(Company No. 1201363-X)**

**AND**

**MEGAN MEZANIN SDN BHD  
(Company No. 1361462-A)**

**FARM IMPROVEMENT WORKS CONTRACT**

**THIS CONTRACT IS MADE ON THE 30<sup>TH</sup> DAY OF JUNE 2022**

**PARTIES**

**BETWEEN**

1. **NORTH CUBE SDN BHD (Company No. 1201363-X)**, a company incorporated under the laws of Malaysia and having its registered address at B-3-12, Kiaramas Gateway, Jalan Desa Kiara, Mont Kiara 50480 Kuala Lumpur. ("**Client**") of the one part;

**AND**

2. **MEGAN MEZANIN SDN BHD (Company No. 1361462-A)**, a company incorporated in Malaysia with its registered office at 55-2, Jalan Equine 10, Taman Equine, 43300 Seri Kembangan, Selangor. ("**Contractor**") of the other part,

each a "**Party**" and collectively, "**Parties**".

**RECITALS**

**WHEREAS**

- A. The Client is principally engaged in the prawn farming business and is the owner of a Shrimp Farm located at Umas-Umas, Tawau.
- B. The Contractor is principally engaged in the construction business.
- C. The Client has agreed to engage the contractor to carry out the improvement works for the Shrimp Farm, subject to the terms and conditions set out herein.

**CONTRACT TERMS**

1. The contractor will carry out the upgrading works based on the scope of works spelled out in Appendix 1. The estimation of cost is included in Appendix 1.
1. The client agreed to pay the contractor each billing based on the work done in accordance to Appendix 1. It is agreed that the deviation of cost shall not be more than 10% of the estimation cost in Appendix 1, failing which the contractor has to bear the cost of deviation in excess of 10% of the estimation cost in Appendix 1.
2. The upgrading works to be completed within 18 months from this contract.
3. The Contractor is agreeable to give 1-month credit term to the Client to pay the invoice of the contract.

IN WITNESS HEREOF, the Parties hereto have executed this Agreement on the day first above written.

The Common Seal of  
NORTH CUBE SDN BHD  
(Company No. 1201363-X)  
is hereby affixed in the presence of:

)  
)  
)  
)



Signed by and on behalf of  
MEGAN MEZANIN SDN BHD  
(Company No. 1361462-A)  
in the presence of:

)  
)  
)  
)





APPENDIX 2  
 COMPONENT DETAILS AND IMPLEMENTATION GANTT CHART

ITEM	DESCRIPTION	MONTH																	
		Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
1	<b>BASIC INFRASTRUCTURE</b>																		
	Land Clearing and Leveling																		
	Seawater Intake System																		
	Water Reservoir																		
	Water Inlet System																		
	Water Outlet System																		
	Water Treatment Pond																		
	Fencing Works																		
2	<b>MAIN ELECTRICAL WORKS</b>																		
	Substation and Gen Set Room																		
	Cabling Works																		
3	<b>BUILDING WORKS</b>																		
	Earthwork																		
	Road and Drainage Works																		
	Building Structural Works and Electrical Works																		
4	<b>SHRIMP PONDS</b>																		
	Earthwork																		
	Electrical Works																		
	Farm Equipment																		
	Farm Machinery																		
	Smart Monitoring System																		
5	<b>REGULATORY REQUIREMENTS</b>																		
	EIA Study																		
	Building Approval																		
	Professional Fee																		
6	<b>PROCESSING FACTORY</b>																		
	Main Building Works																		
	Factory Machinery and Equipment																		
	<b>TOTAL</b>																		

PROJECT: NEW SHRIMP FARM DEVELOPMENT PROJECT AT WAKUBA  
CLIENT: NORTH CUBE SDN BHD  
APPENDIX 1: BILL OF QUANTITY

Item	Description	Unit	Rate (RM)	Quantity	Amount (RM)
<b>1.0</b>	<b>BASIC INFRASTRUCTURE</b>				
<b>A</b>	<b>Land Clearing and Levelling</b>				
i	<u>Land Clearing</u> Removal of trees, stumps, and other vegetation from wooded areas.	acre	4,000.00	111.00	444,000.00
ii	<u>Land Levelling</u> Formation of ground level by backfilling of suitable earth, carried out in layers of not more than 200mm, thoroughly wetted and compacted by rolling.	m3	35.00	449,106.00	15,718,710.00
<b>B</b>	<b>Seawater Intake System</b> Construction of seawater intake system, consists of Pump House, Submersible Intake Pumps, 30' diameter pipeline (450 metre), service walkway.	L.S.	-	-	6,000,000.00
<b>C</b>	<b>Water Reservoir</b>				
i	<u>Bund Formation</u> Filling of suitable materials for bund formation, including surface compaction and trimming of sides for bund.	m3	40.00	16,368.00	654,720.00
ii	Pump sump c/w submersible pump, inclusive of switchboard and wiring works.	set	85,000.00	5.00	425,000.00
iii	Concrete laying on Water Reservoir bottom level, plastic lining on sides for bund.	L.S.	-	-	500,000.00
<b>D</b>	<b>Water Inlet System</b>				
i	<u>Bund Formation</u> Filling of suitable materials for bund formation, including surface compaction and trimming of sides for bund.	m3	40.00	38,400.00	1,536,000.00
ii	<u>Water Distribution Canal</u> Supply and installation of Polyurethane pipe as water distribution system from water reservoir to shrimp ponds.	m	750.00	3,200.00	2,400,000.00
iii	Box culvert for road crossing	nos	50,000.00	5.00	250,000.00
<b>E</b>	<b>Water Outlet System</b>				
i	<u>Bund Formation</u> Filling of suitable materials for bund formation, including surface compaction and trimming of sides for bund.	m3	40.00	89,808.00	3,592,320.00
<b>F</b>	<b>Water Treatment Pond</b>				
ii	<u>Bund Formation</u> Filling of suitable materials for bund formation, including surface compaction and trimming of sides for bund.	m3	40.00	4,080.00	163,200.00
<b>G</b>	<b>Fencing Works</b>				
i	<u>Supply and Installation of Perimeter Fencing</u> - Metal Clad Hoarding - Height: 1800mm	m	250.00	2,800.00	700,000.00
<b>TOTAL FOR ITEM 1</b>					<b>32,383,950.00</b>
<b>2.0</b>	<b>MAIN ELECTRICAL WORKS</b>				
<b>A</b>	<b>Substation and Gen Set Room</b>				
i	Construction of Substation and Gen Set Room, installation of Transformer, Switchgears, MSB, Gen Set, Cabling Works, etc.	lot	1,200,000.00	3.00	3,600,000.00
<b>B</b>	<b>Cabling Works</b>				
i	Cabling works inclusive of: - Concrete Pole installation - Main cabling installation (8x 1C/150mm2 AL/PVC cable) - Sub cabling installation (4x 1C/150mm2 AL/PVC cable)	L.S.	1,500,000.00	-	1,500,000.00
<b>TOTAL FOR ITEM 2</b>					<b>5,100,000.00</b>
<b>3.0</b>	<b>BUILDING WORKS</b>				
<b>A</b>	<b>Earthwork</b>				
i	To cut and fill existing hills to formation level	sqm	22.50	57,000.00	1,282,500.00
<b>B</b>	<b>Road and Drainage Works</b> To construct gravel road, car park area, drainage works and turfing works (Total Area: 33,500 sqm)	L.S.	500,000.00	-	500,000.00

PROJECT: NEW SHRIMP FARM DEVELOPMENT PROJECT AT WAKUBA  
CLIENT: NORTH CUBE SDN BHD  
APPENDIX 1: BILL OF QUANTITY

Item	Description	Unit	Rate (RM)	Quantity	Amount (RM)
<b>C</b>	<b>Building Structural Works and Electrical Works</b>				
i	Farm Office	sqm	2,500.00	200.00	500,000.00
ii	Canteen	sqm	1,000.00	440.00	440,000.00
iii	Worker's Quarters	sqm	1,000.00	1,950.00	1,950,000.00
	Main Feed Store	sqm	1,000.00	440.00	440,000.00
	Sub Feed Store	sqm	1,000.00	400.00	400,000.00
	Workshop	sqm	1,000.00	120.00	120,000.00
	Surau	sqm	1,000.00	100.00	100,000.00
	Guard House	sqm	1,000.00	10.00	10,000.00
	<b>TOTAL FOR ITEM 3</b>				<b>5,742,500.00</b>
<b>4.0</b>	<b>SHRIMP PONDS</b>				
<b>A</b>	<b>Earthwork</b>				
i	Construction of Shrimp Ponds, inclusive of bund construction, excavation and levelling of pond bottom, installation of central discharge system, control gate with box culvert and wingwall, central discharge pipe, feeding platform.	nos	225,000.00	96.00	21,600,000.00
<b>B</b>	<b>Electrical Works</b>				
i	Cabling system from control panel to paddle wheel, c/w necessary termination works and necessary minimum manual excavation to put the cable in soil.	m	12.50	72,000.00	900,000.00
ii	Control Panel	nos	4,000.00	100.00	400,000.00
<b>C</b>	<b>Farm Equipment</b>				
i	Paddle Wheel (3 Phase 415V, 1hp)	unit	1,600.00	1,250.00	2,000,000.00
<b>D</b>	<b>Farm Machinery</b>				
i	Excavator	unit	2.00	450,000.00	900,000.00
ii	Farm Tractor	unit	4.00	75,000.00	300,000.00
<b>E</b>	<b>Smart Monitoring System</b>				
i	Installation of Smart Monitoring System for farming, inclusive of sensor probe, data transmission module and data centre	set	70,000.00	96.00	6,720,000.00
	<b>TOTAL FOR ITEM 4</b>				<b>32,820,000.00</b>
<b>5.0</b>	<b>REGULATORY REQUIREMENTS</b>				
<b>A</b>	<b>EIA Study</b>				
	Conduct PMM Study according to Department of Environment's requirements.	L.S.		100,000.00	100,000.00
<b>B</b>	<b>Building Approval</b>				
	Building Approval from Local Authority	L.S.		200,000.00	200,000.00
<b>C</b>	<b>Professional Fee</b>				
	Professional Fee on Consultation for C&S and M&E Consultants, QS	L.S.		400,000.00	400,000.00
	<b>TOTAL FOR ITEM 5</b>				<b>700,000.00</b>
<b>6.0</b>	<b>PROCESSING FACTORY</b>				
<b>A</b>	<b>Main Building Works</b>				
i	Construction of the Processing Factory, inclusive of main civil and structural works, main and small electrical works, building internal works	m2	4,000.00	3,000.00	12,000,000.00
<b>B</b>	<b>Factory Machinery and Equipment</b>				
i	<u>Factory Processing Machinery</u> Purchase and Installation of Frozen Shrimp Processing machinery, eg: Sizing Machine, Sorting Machine, Peeling Machine, IQF Freezer, Blast Freezer, Glazing Machine, Metal Detector, Flake Ice Machine, Plate Ice Machine	L.S.	-	-	18,000,000.00
	<b>TOTAL FOR ITEM 6</b>				<b>30,000,000.00</b>
	<b>TOTAL PROJECT COST (ITEM 1 TO 6)</b>				<b>106,746,450.00</b>



## MEGAN MEZANIN SDN BHD

(202001005142(1361462-A))

B-01-07, GATEWAY CORPORATE SUITE  
GATEWAY KIARAMAS, NO. 1 JALAN DESA KIARA  
50480 MONT KIARA, WP KUALA LUMPUR  
EMAIL: [mmsb.general@gmail.com](mailto:mmsb.general@gmail.com)

Date: 26 October 2023

### NORTH CUBE SDN BHD

B-03-11, Gateway Corporate Suites  
Jalan Desa Kiara  
50480 Mont Kiara  
Kuala Lumpur.

### WAKUBA NEW SHRIMP FARM DEVELOPMENT PROJECT

#### EXTENSION OF TIME

Further to our previous discussions on the progress of the abovementioned project, this letter serves as a mutual agreement from both parties that there will be an Extension of Time (EoT) for this project. The timeline for the development of this project will be extended for 12 months, and the new Date of Completion will be 31 December 2024.

We shall also complete all the farm related components by 31 December 2023, to enable the full operations of the farm ponds.

Based on our previous discussions, the cost incurred for this project is reflected in the following table:

Component	Cost to be Incurred as of 31 December 2023 (RM)	Cost to be Incurred as of 31 December 2024 (RM)
<b>Basic Infrastructure</b>		
I. Land Clearing and Levelling	16,162,710.00	0.00
II. Seawater Intake System	6,000,000.00	0.00
III. Water Reservoir	1,579,720.00	0.00
IV. Water Inlet System	4,186,000.00	0.00
V. Water Outlet System	3,592,320.00	0.00
VI. Water Treatment Pond	163,200.00	0.00
VII. Fencing Works	700,000.00	0.00
<b>Sub Total</b>	<b>32,383,950.00</b>	<b>0.00</b>
<b>Main Electrical Works</b>		
I. Substation and Gen Set Room	1,200,000.00	2,400,000.00
II. Cabling Works	0.00	1,500,000.00
<b>Sub Total</b>	<b>1,200,000.00</b>	<b>3,900,000.00</b>
<b>Building Works</b>		
I. Earthwork	1,282,500.00	0.00
II. Road and Drainage Works	0.00	500,000.00
III. Building Structural Works and Electrical Works	0.00	4,460,000.00
<b>Sub Total</b>	<b>1,282,500.00</b>	<b>4,460,000.00</b>



## MEGAN MEZANIN SDN BHD

(202001005142(1361462-A))

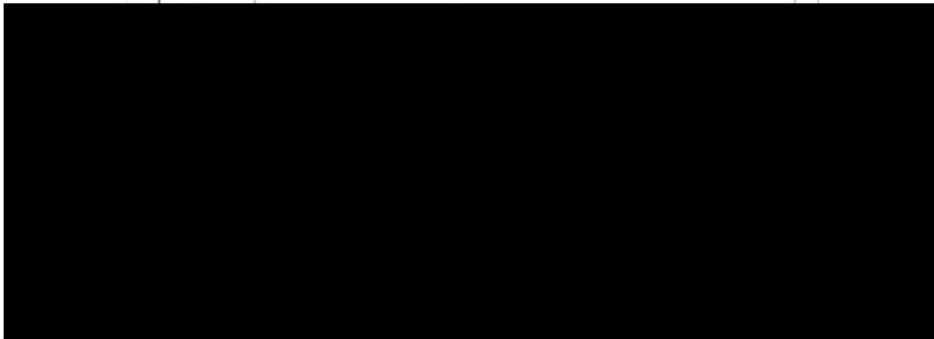
B-01-07, GATEWAY CORPORATE SUITE  
GATEWAY KIARAMAS, NO. 1 JALAN DESA KIARA  
50480 MONT KIARA, WP KUALA LUMPUR  
EMAIL: [mmsb.general@gmail.com](mailto:mmsb.general@gmail.com)

<b>Shrimp Ponds</b>			
I. Earthwork	20,250,000.00	1,350,000.00	
II. Electrical Works	1,300,000.00	0.00	
III. Farm Equipment	1,750,000.00	250,000.00	
IV. Farm Machinery	0.00	1,200,000.00	
V. Smart Monitoring System	0.00	6,720,000.00	
<b>Sub Total</b>	<b>23,300,000.00</b>	<b>9,520,000.00</b>	
<b>Regulatory Requirements</b>			
I. EIA Study	0.00	100,000.00	
II. Building Approval	0.00	200,000.00	
III. Professional Fee	0.00	400,000.00	
<b>Sub Total</b>	<b>0.00</b>	<b>700,000.00</b>	
<b>Processing Factory</b>			
I. Main Building Works	0.00	12,000,000.00	
II. Factory Machinery and Equipment	0.00	18,000,000.00	
<b>Sub Total</b>	<b>0.00</b>	<b>30,000,000.00</b>	
<b>GRAND TOTAL</b>	<b>58,166,450.00</b>	<b>48,580,000.00</b>	

The balance development cost of RM48,580,000.00 will be incurred after 30 June 2024.

Thank you.

Yours faithfully,







## MEGAN MEZANIN SDN BHD

(202001005142(1361462-A))

B-01-07, GATEWAY CORPORATE SUITE  
GATEWAY KIARAMAS, NO. 1 JALAN DESA KIARA  
50480 MONT KIARA, WP KUALA LUMPUR  
EMAIL: [mmsb.general@gmail.com](mailto:mmsb.general@gmail.com)

Our Ref: MM2022/LOA/P002/005

Date: 28 April 2023

### PELICAN PROSPECT SDN BHD

12-3 Jalan 3/114  
Kuchai Business Centre  
Off Jalan Kuchai Lama  
58200 Kuala Lumpur

### WAKUBA NEW SHRIMP FARM DEVELOPMENT PROJECT

#### LETTER OF AWARD

With reference to your submission of the Tender Document dated 13 April 2023, we are pleased to confirm the award for the execution and completion of the abovementioned works to you at a Contract Sum of Ringgit Malaysia: Thirty Nine Million Three Hundred Eighty Five Thousand only (RM39,385,000.00).

The award of this Contract is subject to the terms and conditions in the tender documents including the following, which shall form part of the Contract to be entered by your good self and Megan Mezanin Sdn Bhd.

#### 1.0 SCOPE OF WORKS

- 1.1 The scope of works is as described in the Tender Documents.
- 1.2 Your scope of works shall include provisions for transportation, preparation works, and all other works, which is deemed necessary for the full completion of the works.

#### 2.0 CONTRACT SUM

- 2.1 The awarded contract sum of RM5,570,000.00 is made up from the following items:

Item	Description	Amount (RM)
1	Shrimp Ponds - Earthwork - Farm Equipment	10,600,000.00
2	Processing Factory - Main Building Works - Factory Machinery and Equipment	27,000,000.00
3	Basic infrastructure - Water Reservoir - Water Inlet System - Fencing Works	1,085,000.00







## MEGAN MEZANIN SDN BHD

(202001005142(1361462-A))

B-01-07, GATEWAY CORPORATE SUITE  
GATEWAY KIARAMAS, NO. 1 JALAN DESA KIARA  
50480 MONT KIARA, WP KUALA LUMPUR  
EMAIL: [mmsb.general@gmail.com](mailto:mmsb.general@gmail.com)

4	Regulatory Requirements - EIA Study - Building Approval - Professional Fee	700,000.00
<b>TOTAL VALUE</b>		<b>39,385,000.00</b>

2.2 This is a firm-priced Contract and it shall not be subject to any fluctuation and cost increase or whatsoever reason other than variation instructed by Megan Mezanin Sdn Bhd.

### 3.0 CONTRACT PERIOD

3.1 The total contract period shall be as follows:

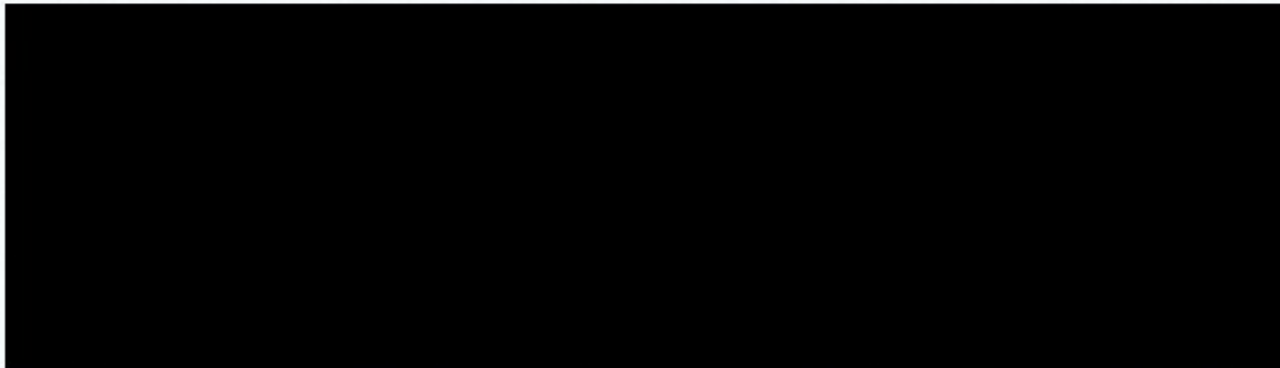
The Date of Commencement: 01.05.2023

The Date of Completion: 31.12.2023

Please return the original duly signed to us and retain one copy for yourself within three (3) days from the date above.

Thank you.

Yours faithfully,









## MEGAN MEZANIN SDN BHD

(202001005142(1361462-A))

B-01-07, GATEWAY CORPORATE SUITE  
GATEWAY KIARAMAS, NO. 1 JALAN DESA KIARA  
50480 MONT KIARA, WP KUALA LUMPUR  
EMAIL: [mmsb.general@gmail.com](mailto:mmsb.general@gmail.com)

Our Ref: MM2022/LOA/P002/006

Date: 28 April 2023

### SEA SANCTUARY SDN BHD

55-2 Jalan Equine 10  
Taman Equine  
43300 Seri Kembangan  
Selangor Darul Ehsan

### WAKUBA NEW SHRIMP FARM DEVELOPMENT PROJECT

#### LETTER OF AWARD

With reference to your submission of the Tender Document dated 13 April 2023, we are pleased to confirm the award for the execution and completion of the abovementioned works to you at a Contract Sum of Ringgit Malaysia: Five Million Five Hundred Seventy Thousand only (RM5,570,000.00).

The award of this Contract is subject to the terms and conditions in the tender documents including the following, which shall form part of the Contract to be entered by your good self and Megan Mezanin Sdn Bhd.

#### 1.0 SCOPE OF WORKS

- 1.1 The scope of works is as described in the Tender Documents.
- 1.2 Your scope of works shall include provisions for transportation, preparation works, and all other works, which is deemed necessary for the full completion of the works.

#### 2.0 CONTRACT SUM

- 2.1 The awarded contract sum of RM5,570,000.00 is made up from the following items:

Item	Description	Amount (RM)
1	Main Electrical Works - Sub Station and Gen Set Room - Cabling Works	4,500,000.00
2	Shrimp Ponds - Electrical Works	1,070,000.00
	<b>TOTAL VALUE</b>	<b>5,570,000.00</b>





## MEGAN MEZANIN SDN BHD

(202001005142(1361462-A))

B-01-07, GATEWAY CORPORATE SUITE  
GATEWAY KIARAMAS, NO. 1 JALAN DESA KIARA  
50480 MONT KIARA, WP KUALA LUMPUR  
EMAIL: [mmsb.general@gmail.com](mailto:mmsb.general@gmail.com)

- 2.2 This is a firm-priced Contract and it shall not be subject to any fluctuation and cost increase or whatsoever reason other than variation instructed by Megan Mezanin Sdn Bhd.

### 3.0 CONTRACT PERIOD

- 3.1 The total contract period shall be as follows:

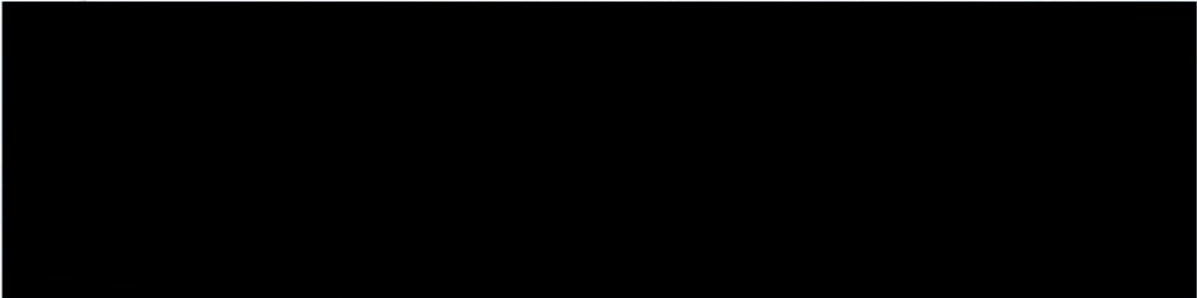
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Please return the original duly signed to us and retain one copy for yourself within three (3) days from the date above.

Thank you.

Yours faithfully,











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(202001005142(1361462-A))

B-01-07, GATEWAY CORPORATE SUITE  
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50480 MONT KIARA, WP KUALA LUMPUR  
EMAIL: [mmsb.general@gmail.com](mailto:mmsb.general@gmail.com)

Our Ref: MM2022/LOA/P002/004

Date: 28 April 2023

### **KHENG BUILDERS SDN BHD**

A-10-09 Atria Soho Suites  
Jalan SS22/23 Damansara Jaya  
47400 Petaling Jaya  
Selangor Darul Ehsan

### **WAKUBA NEW SHRIMP FARM DEVELOPMENT PROJECT**

#### **LETTER OF AWARD**

With reference to your submission of the Tender Document dated 13 April 2023, we are pleased to confirm the award for the execution and completion of the abovementioned works to you at a Contract Sum of Ringgit Malaysia: Three million four hundred fifty nine thousand only (RM3,459,000.00).

The award of this Contract is subject to the terms and conditions in the tender documents including the following, which shall form part of the Contract to be entered by your good self and Megan Mezanin Sdn Bhd.

#### **1.0 SCOPE OF WORKS**

- 1.1 The scope of works is as described in the Tender Documents.
- 1.2 Your scope of works shall include provisions for transportation, preparation works, and all other works, which is deemed necessary for the full completion of the works.

#### **2.0 CONTRACT SUM**

- 2.1 The awarded contract sum of RM459,000.00 is made up from the following items:

Item	Description	Amount (RM)
1	Building Works - Main Feed Store - Sub Feed Store - Workshop - Surau - Guard House - Farm Office - Canteen - Worker's Quarters	3,459,000.00
	<b>TOTAL VALUE</b>	<b>3,459,000.00</b>





## MEGAN MEZANIN SDN BHD

(202001005142(1361462-A))

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EMAIL: [mmsb.general@gmail.com](mailto:mmsb.general@gmail.com)

- 2.2 This is a firm-priced Contract and it shall not be subject to any fluctuation and cost increase or whatsoever reason other than variation instructed by Megan Mezanin Sdn Bhd.

### 3.0 CONTRACT PERIOD

- 3.1 The total contract period shall be as follows:

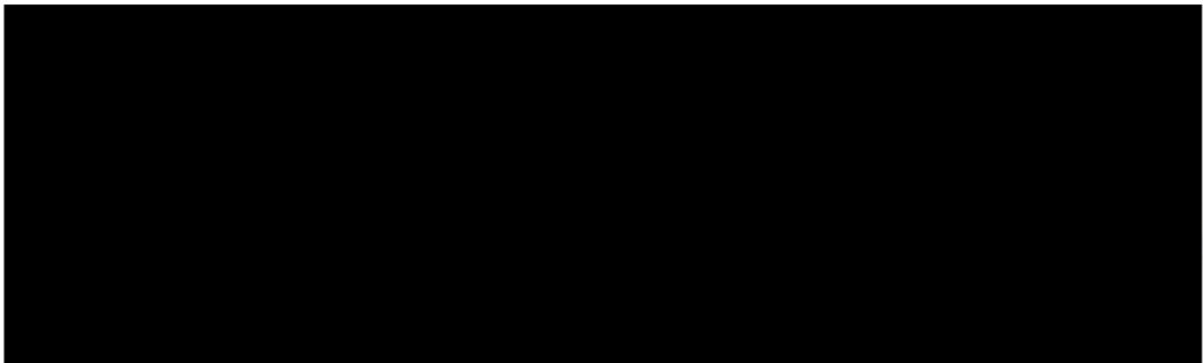
The Date of Commencement: 01.05.2023

The Date of Completion: 31.12.2023

Please return the original duly signed to us and retain one copy for yourself within three (3) days from the date above.

Thank you.

Yours faithfully,







**SHARE SWAP AGREEMENT**  
in respect of the sale and purchase of the entire issued and paid up  
share capital of Megan Mezanin Sdn Bhd

**DATED THE 31<sup>ST</sup> DAY OF JULY 2024**

**BETWEEN**

**THE PARTY(IES) LISTED IN SCHEDULE 1**  
**("Vendors")**

**AND**

**MEGAN HOLDINGS LIMITED**  
**("Purchaser")**

File Reference: DL/SEM/CC 2209-842

*M-2-9 Plaza Damas 60 Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Malaysia*  
*telephone +603 6203 2381 fax +603 6203 2359 email excel@enolil-loo.com*

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## SHARE SWAP AGREEMENT

DATE: 31<sup>st</sup> July 2024

### PARTIES

1. THE PARTY(IES) WHOSE NAME(S) AND PARTICULARS ARE AS STATED IN SCHEDULE 1 of the one part (collectively “Vendors” and each a “Vendor”);

AND

2. MEGAN HOLDINGS LIMITED (Company No. 396292), an exempted company incorporated in the Cayman Islands with limited liability and having its registered office at Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands, of the other part (the “Purchaser”).

### RECITALS

A. MEGAN MEZANIN SDN BHD (Company No. 202001005142 (1361462-A)) (“Company”) is a private limited company duly incorporated in Malaysia under the Companies Act, 2016 and having its registered address at 27-5 Menara 1MK, No 1 Jalan Kiara, 50480 Mont Kiara, Kuala Lumpur, Malaysia. The Company is principally engaged in the business of development, construction and maintenance of aquaculture and agriculture farms and related works. As at the date of this Agreement, the Company has an issued and paid-up share capital of RM250,000.00, comprising of 250,000 ordinary shares.

B. As at the date of this Agreement, the Vendors are collectively the registered and beneficial owners of the entire issued and paid-up capital in the Company, and their respective shareholdings in the Company are as stated in **Schedule 1** hereto (collectively be referred to as the “Sale Shares”) (“Sale Shares”).

C. The Vendors have agreed to sell, and the Purchaser has agreed to purchase the Sale Shares in consideration of which the Purchaser has agreed to issue new shares in the capital of the Purchaser to the respective Vendors and/or their nominee(s) upon the terms and subject to the conditions of this Agreement.

### OPERATIVE PROVISIONS

#### 1. INTERPRETATION

##### 1.1 Definitions

In this Agreement where the context so admits the following expressions shall have the following meanings:

“Company” means Megan Mezanin Sdn Bhd (Company No. 202001005142 (1361462-A));

“Completion Date” means the date of this Agreement;

“Consideration Shares”	means the new ordinary shares to be issued by the Purchaser pursuant to Clause 2.1(b);
“Purchase Price”	has the meaning ascribed to it in Clause 2.1(a);
“Purchaser”	means <b>MEGAN HOLDINGS LIMITED (Company No. 396292)</b> , and includes its successors-in-title and permitted assigns;

“Sale Shares”	has the meaning in Recital B;
“Vendors”	means the party(ies) named in <b>Schedule 1</b> and includes their respective heirs, personal representatives, successors-in-title and/or permitted assigns, and “Vendor” shall mean any one of them.

## 1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) Except to the extent that the context requires otherwise, any reference to “this Agreement” or to any other agreement or document is a reference to this Share Swap Agreement (including the schedules and appendices) or, as the case may be, the relevant agreement or document as amended, supplemented or novated from time to time or the relevant agreement or document, as the case may be, and includes a reference to any document which amends, waives, is supplemental to or novates the terms of this Agreement or, as the case may be, the relevant agreement or document.
- (b) Except where otherwise stated, any reference to any statutory provision includes a reference to any modification, extension or re-enactment thereof (whether made before or after the date hereof) for the time being in force and also includes a reference to all by-laws, instruments, orders and regulations for the time being made thereunder or deriving therefrom.
- (c) Except to the extent that the context requires otherwise, references to the singular shall include references to the plural and *vice versa*.
- (d) Words denoting one gender include the other gender.
- (e) Words denoting persons include corporations and vice versa and also include their respective heirs, personal representatives, successors in title or permitted assigns, as the case may be.
- (f) References to “include” and “including” shall be construed without limitation.
- (g) Any reference to a recital, sub-paragraph, paragraph, clause, schedule or appendix is to the relevant recital, sub-paragraph, paragraph, clause, schedule or appendix of or to this Agreement.
- (h) Where a word or phrase is given a defined meaning in this Agreement, any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning.
- (i) Where a word or phrase indicates an exception to any of the provisions of this Agreement and a wider construction is possible, such word or phrase is not to be construed *ejusdem generis* with any foregoing words or phrases and where a word or phrase serves only to illustrate or emphasise any of the provisions of this Agreement, such word or phrase is not to be construed, or to take effect as limiting the generality of such provision.
- (j) Except where otherwise stated, any reference to “pay”, or cognate expressions, includes payments made in cash or effected through inter-bank transfer to the account of the payee, giving the payee access to immediate available, freely transferable, cleared funds.

- (k) Except where otherwise stated, any reference to “writing”, or cognate expressions, includes any communication effected by telex, cable, facsimile transmission or other comparable means.

- (l) Except where otherwise stated, any reference to “a day” are to be construed as references to a business day which shall mean a day other than Saturday, Sunday and Public Holiday in Kuala Lumpur (“**Business Day**”).

- (m) If any period of time is specified from a given day, or the day of a given act or event, it is to be calculated exclusive of that day and if any period of time falls on a day which is not a Business Day, then that period is to be deemed to only expire on the next Business Day.

- (n) Except where otherwise stated, any expression, agreement, covenant, representation, warranty or undertaking expressed to be made by two or more parties shall be deemed to be made by such parties jointly and severally.

### 1.3 *Headings*

The table of contents, headings and sub-headings in this Agreement are inserted merely for convenience of reference and shall be ignored in the interpretation and construction of any of the provisions contained herein.

### 1.4 *Language*

English is the governing language of this Agreement and shall prevail over any translations that shall be made of this Agreement. All correspondence, notices or other documents required or permitted hereunder may be drawn up in English and drawings and diagrams shall be annotated in English.

### 1.5 *Recitals*

The recitals, schedules and appendices of and to this Agreement shall have effect and be construed as an integral part of this Agreement, but in the event of any conflict or discrepancy between any of the provisions of this Agreement, such conflict or discrepancy shall, for the purposes of the interpretation and enforcement of this Agreement, be resolved by giving the provisions contained in the Clauses of this Agreement priority and precedence over the provisions contained in the recitals, schedule and appendices of and to this Agreement.

## 2. **PURCHASE PRICE AND TERMS**

- 2.1 (a) Subject to the terms and conditions hereinafter contained, the Vendors hereby, severally and collectively, agree to sell, and the Purchaser hereby agrees to purchase, the Sale Shares, free from all charges or liens or any other encumbrances and with all rights now or hereinafter attaching thereto including but without limitation, all bonuses, rights, dividends and distributions declared paid or made in respect thereof as from the date hereof, for the sale and purchase consideration of USD6,500,000 based on the Company’s net tangible assets value as at 31 December 2023 (“**Purchase Price**”).

- (b) The Purchase Price, which was arrived at a willing buyer willing seller basis, and based on the Company’s net tangible assets value as at 31 December 2023 of USD6,500,000, shall be satisfied in full on the Completion Date by way of issuance of 15,000,000 new ordinary shares by the Purchaser (“**Consideration Shares**”) to the respective Vendors and/or their nominee(s) in the number and proportions as set out in **Schedule 1** hereto, the entire Consideration Shares upon the Completion Date pursuant to Clause 3.2 herein.

- 2.2 Completion of the sale of the Sale Shares shall be effected upon the terms and conditions contained in Clause 3 hereof.



### 3. COMPLETION

3.1 Completion Date shall take place on the Agreement Date.

3.2 On the Completion Date, the following shall occur:

- (a) the Vendors shall deliver or cause to be delivered to the Purchaser:
  - (i) the undated valid and registrable share transfer forms but duly executed by each of the Vendors in favour of the Purchaser;
  - (ii) the duly executed but undated resolution of the board of directors and shareholders of the Company approving the sale and transfer of the Sale Shares from the Vendors to the Purchaser on the terms and subject to the conditions contained herein;
  - (iii) such other documents as may be required to give good title to the Sale Shares and enable the Purchaser to become the registered holder thereof; and
- (b) the Purchaser shall issue and allot, as fully paid, the Consideration Shares to the respective Vendors and/or their nominee(s) and shall deliver the share certificates of the Consideration Shares to the respective Vendors and/or their nominee(s), if any.

3.3 If in any respect the provisions of Clause 3.2 hereof shall not have been complied with on the Completion Date, the Purchaser may at its absolute discretion (without prejudice to its rights to claim damages or any other rights and remedies whatsoever under this Agreement) proceed to completion so far as practicable.

3.4 The Vendors shall cause the audited accounts of the Company for the financial year ended 31 July 2023 to be issued as soon as practicable and furnish the same to the Purchaser to facilitate the adjudication of the stamp duty on the share transfer of the Sale Shares. The parties shall use their best endeavours to cause the transfer of the Sale Shares to be registered upon stamping thereof as soon as practicable thereafter. Notwithstanding anything to the contrary contained herein, the parties agree that upon the execution of this Agreement, the Vendors shall hold the Sale Shares and all the rights, title and benefits thereto on trust and for the benefit of the Purchaser until the completion of the transfer of the Sale Shares to the Purchaser.

### 4. REPRESENTATIONS AND WARRANTIES

4.1 Each representation and warranty set out in this Clause 4 shall be separate and independent and, save as expressly provided, shall not be limited by reference to any other representations or warranties or any other provisions contained in this Agreement.

4.2 The Vendors hereby, jointly and severally, represent and warrant to the Purchaser as follows:

(a) Title to Shares

That the respective Vendors are the registered and beneficial owners of the Sale Shares as stated in Recital B above.

(b) No Options over Shares

There is no option, right to acquire, mortgage, charge, pledge or other encumbrance or any equity on, over or affecting the Sale Shares or any of them.

(c) Claims on Shares

No claim has been made by any person to be entitled to any right or interest in the Sale Shares.

(d) Transfer of Shares

The respective Vendors are entitled to sell and transfer or procure the sale and transfer of the full legal and beneficial ownership in the Sale Shares registered in their name to the Purchaser on the terms set out in this Agreement.

(e) Proceedings against the Company

(i) Winding-up petition

No petition for winding up of the Company has been presented and no order has been made or effective resolutions passed for the winding up of the Company nor proceedings instituted or a meeting or meetings called with a view to obtain any such order or orders or to pass any such resolution or resolutions.

(ii) Receivership

No receiver(s) and/or manager(s) of the undertakings or assets of the Company has or have been appointed nor have any material judgments been obtained against the Company or any execution or process of any Court or authority been issued against or levied or enforced which would have any material adverse effect on the financial condition of the Company.

4.3 The Vendors hereby undertake that they shall not do, allow or procure any act or omission before the Completion Date which would constitute a breach of any of the representations and warranties set out in this Clause 4 or which would make any of such representations and warranties inaccurate or misleading.

## 5. SPECIFIC PERFORMANCE

Any party hereto shall be entitled to the rights of specific performance against the other under the provisions of this Agreement and it is hereby mutually agreed that in the event of any party hereto exercising its rights to specific performance of this Agreement an alternative remedy of monetary compensation shall not be regarded as compensation or sufficient compensation for the other party's default in the performance of the terms and conditions of this Agreement.

## 6. CAPITAL GAINS TAX

6.1 The Vendors shall pay all tax assessed by the Director General of Inland Revenue to be payable pursuant to the Income Tax Act 1967 (as amended by the Finance Act (No. 2) 2023 (Act 851)) in connection with the disposal of the Sale Shares.

6.2 The parties hereby undertake that each of them shall individually notify the Director General of Inland Revenue in the prescribed form of the disposal and acquisition (as the case may be) of the Sale Shares within sixty (60) days from the date of the letter of approval issued by the Government Authority and that each party shall do all acts execute or cause to be executed all forms deeds or instruments and file all returns and furnish all information as may be necessary under the Income Tax Act 1967.

6.3 If the disposal of the Sale Shares by the Vendors is subject to payment of Capital Gain Tax under the Income Tax Act 1967, the Vendors shall pay the Capital Gain Tax within sixty (60) days from the date of disposal of the Sale Shares.

6.4 The Vendors confirm that there is no real property gain tax chargeable for the disposal of the Sale Shares under the Real Property Gain Tax Act 1967 (as amended by the Finance Act (No. 2) 2023 (Act 851)) and shall not be required to retain any retention sum for the disposal of the Sale Shares.

6.5 Notwithstanding anything contained herein, the Vendors undertake to keep the Purchaser fully indemnified against all claims, demands, fines and/or penalties that may be suffered or sustained by the Purchaser arising from the Vendors' non-compliance with any of the provisions of any Tax laws in relation to the disposal of the Sale Shares.

**7. TIME**

Time wherever mentioned in this Agreement shall be of the essence of the contract.

**8. EXECUTION OF DOCUMENTS**

The parties hereto hereby covenant with one another that they will respectively sign, execute and do all such acts, documents and things as may be necessary to give valid effect to the terms and conditions of this Agreement.

**9. COSTS AND STAMP DUTY**

The legal costs of and incidental to this Agreement and all stamp duty thereon shall be borne and paid by the Purchaser.

**10. SEVERABILITY**

If any provisions of this Agreement or any part thereof is rendered void, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be effected or impaired thereby.

**11. AMENDMENT**

No amendment, variation, revocation, cancellation, substitution or waiver of, or addition or supplement to, any of the provisions of this Agreement shall be effective unless it is in writing and signed by all the parties hereto.

**12. LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of Malaysia and the parties hereto hereby irrevocably submit to the jurisdiction of the Courts of Malaysia.

[THE REMAINDER OF THE PAGE IS DELIBERATELY LEFT BLANK]

**SIGNING PAGE**

The Vendors

Signed by )  
**STAR SPRITE LIMITED** )  
**(BVI Company No.: 2112896)** )  
in the presence of: ) \_\_\_\_\_

Signed by )  
For and on behalf of )  
**Usaha Sedaya Sdn Bhd** )  
**(Company No. 202201020298** )  
**(1497144-T))** )  
in the presence of: ) \_\_\_\_\_

Signed by )  
For and on behalf of )  
**Yat Ho Construction Materials Limited** )  
**(CR No. 3195570)** )  
in the presence of: ) \_\_\_\_\_

Signed by )  
For and on behalf of )  
**Eternity Capital Group Limited** )  
**(CR No. 3277665)** )  
in the presence of: ) \_\_\_\_\_

Signed by )  
For and on behalf of )  
**Kheng Builders Sdn Bhd** )  
**(Company No. 202301001902** )  
**(1495821-K))** )  
in the presence of: ) \_\_\_\_\_

Share Swap Agreement (Megan Mezanin Sdn Bhd)

Signing Page - 7

Signed by )  
For and on behalf of )  
**SJCC Holdings Sdn Bhd** )  
**(Company No. 202301003225** )  
**(1497144-T))** )  
in the presence of: ) \_\_\_\_\_

Signed by )  
For and on behalf of )  
**Malama Sdn Bhd** )  
**(Company No. 202301007893** )  
**(1501814-U))** )  
in the presence of: ) \_\_\_\_\_

Signed by )  
For and on behalf of )  
**Kapiti Latino Sdn Bhd** )  
**(Company No. 202201023773** )  
**(1469470-P))** )  
in the presence of: ) \_\_\_\_\_

The Purchaser

Signed by )  
For and on behalf of )  
**MEGAN HOLDINGS LIMITED** )  
**(Company No. 396292)** )  
in the presence of: ) \_\_\_\_\_

Share Swap Agreement (Megan Mezanin Sdn Bhd)

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**SCHEDULE 1**  
**VENDORS**

VENDOR	SHAREHOLDING / NUMBER OF SALE SHARES	% OF SHAREHOLDING	NUMBER OF CONSIDERATION SHARES
1. <b>Star Sprite Limited</b> <b>(BVI Company No.: 2112896)</b> Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	180,750	72.3%	10,845,000
2. <b>Usaha Sedaya Sdn Bhd</b> <b>(Company No. 202201020298 (1465995-V))</b> 35-3, Jalan SS15/8A, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia	11,500	4.6%	690,000
3. <b>Yat Ho Construction Materials Limited</b> <b>(CR No. 3195570)</b> Unit H02, Block C, Floor 5, Chung Hing Industrial Mansions, 2-4 Luk Hop Street, San Po Kong, Kowloon, Hong Kong SAR	7,000	2.8%	420,000
4. <b>Eternity Capital Group Limited</b> <b>(CR No. 3277665)</b> Flat 8D, Tung Kin Factory Building, 196-198 Tsat Tsz Mui Road, North Point, Hong Kong SAR	5,500	2.2%	330,000

Share Swap Agreement (Megan Mezanin Sdn Bhd)

Schedule 1 - 9

VENDOR	SHAREHOLDING / NUMBER OF SALE SHARES	% OF SHAREHOLDING	NUMBER OF CONSIDERATION SHARES
5. <b>Kheng Builders Sdn Bhd</b> <b>(Company No. 202301001902 (1495821-K))</b> A-10-09, Atria SOFO Suites, Jalan SS 22/23, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia	11,250	4.5%	675,000
6. <b>SJCC Holdings Sdn Bhd</b> <b>(Company No. 202301003225 (1497144-T))</b> A3-3-8, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	12,250	4.9%	735,000
7. <b>Malama Sdn Bhd</b> <b>(Company No. 202301007893 (1501814-U))</b>	10,000	4.0%	600,000

55-2, Jalan Equine 10,  
Taman Equine,  
43300 Seri Kembangan,  
Selangor Darul Ehsan,  
Malaysia

8. **Kapiti Latino Sdn Bhd**

**(Company No. 202201023773 (1469470-P))**

11,750

4.7%

705,000

A-10-09, Atria SOFO Suites,

Jalan SS 22/23,

Damansara Jaya,

47400 Petaling Jaya,

Selangor Darul Ehsan,

Malaysia

**TOTAL**

**250,000**

**100%**

**15,000,000**



Our Ref : BBLO/HSF/YPS/AA/MKM/2023WZ1079/04777

PRIVATE AND CONFIDENTIAL

Date : 5<sup>th</sup> April 2023

**MEGAN MEZANIN SDN. BHD.**  
B-15-07, Pandora Serviced Residence,  
Tropicana Metropark,  
Jalan MPI,  
47500 Subang Jaya,  
Selangor Darul Ehsan.

**Maybank Islamic Berhad (200701029411)**  
Jalan Tun Perak Business Centre 30th Floor, Menara  
Maybank,  
100, Jalan Tun Perak,  
50050 Kuala Lumpur, Malaysia  
Telephone +603 2070 8833  
Facsimile +603 2070 1880

Dear Sir/Madam,

**RE : ISLAMIC BANKING FACILITIES (FACILITY)**

**Business Centre : Jalan Tun Perak**  
**Branch : Taman Connaught**

We are pleased to advise you that the Bank has approved your application for the Facility under **SME+ Property & Business Financing-i (SME+ PBF-i) package**, subject to the following terms and conditions:-

- | <b>1. <u>TYPE OF FACILITY</u></b>  | <b><u>FACILITY AMOUNT (RM)</u></b> |
|--|------------------------------------|
| Commodity Murabahah Term Financing-i (CMTF-i)  | 390,600-00                         |
| Total banking facility(ies) is <b>RM390,600-00 (Ringgit Malaysia Three Hundred Ninety Thousand And Six Hundred Only)</b> .   |                                    |
| <b>2. <u>PURPOSE</u></b>   |                                    |
| To part finance the purchase of office lot known as B-01-07, Block B, Gateway Corporate Suites, Gateway Kiaramas, No. 1, Jalan Desa Kiara, Mont Kiara, 50480 Kuala Lumpur held under Geran Mukim 8971/M1A/2/20, Lot 66957, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur. <b>[Property 1]</b> |                                    |
| The Facility is to be utilised for purposes not contrary to Shariah principles.  |                                    |
| <b>3. <u>BANK'S SALE PRICE</u></b>   |                                    |
| RM650,156-86.  |                                    |
| <b>4. <u>CEILING PROFIT RATE</u></b>   |                                    |
| The Bank's Sale Price is based on a Ceiling Profit Rate ("CPR") of <b>10.40%</b> per annum (p.a.).   |                                    |
| Notwithstanding the CPR above, the payment of the Bank's Sale Price is based on the Effective Profit Rate ("EPR").   |                                    |

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## 5. PRICING (EFFECTIVE PROFIT RATE/COMMISSION/CHARGES)

Base Financing Rate (BFR) - 2.00% per annum (p.a.) on monthly rest.

Subject to compliance with Shariah principles, if the Bank determines that BFR ("Benchmark Rate") may be permanently or indefinitely discontinued, or otherwise no longer appropriate for the purpose of calculating the Effective Profit Rate, commission, bank charges and other charges for the Facility, the Bank reserves the right to vary, at its absolute discretion from time to time, such Effective Profit Rate, commission, bank charges and other charges, which variation may take place by varying or substituting the Benchmark Rate, or the margin or spread above the Benchmark Rate, or both, or the entire manner, method or mode of calculation and computation thereof, or in any other manner whatsoever, by giving due consideration to (including but not limited to): (i) any designation, nomination or recommendation by a relevant nominating or governmental body; and (ii) generally accepted market practice ("the Revised Rate").

In the event the Bank revises such rate of Effective Profit Rate, commission, bank charges and other charges due to the change or discontinuation of the Benchmark Rate, the Bank will notify you of the effective date of the revision Revised Rate. If you do not object in writing to us within **twenty one (21) days** of receipt of the notification of the Revised Rate, you are deemed to have accepted the same. If we receive your written objection within the said period, you have the right to prepay the outstanding amount of the facility in full subject to the terms set out in this Letter of Offer. If upon the expiry of the 30 days from your written objection, no prepayment of the Facility in full has been exercised, then the Revised Rate shall apply.

For the avoidance of doubt, if the revision of Effective Profit Rate is not caused by the change in or discontinuance of the Benchmark Rate but due to the movement of the Benchmark Rate, the Bank shall be entitled to revise the Effective Profit Rate by notifying you the implementation date/effective date of the new Effective Profit Rate.

Any such revision of Effective Profit Rate in the case of Commodity Murabahah based product shall not exceed the Ceiling Profit Rate.

The above Effective Profit Rate may be varied at any time by the Bank giving at least **twenty one (21) days** written notice prior to the implementation date provided always that it shall not exceed the Ceiling Profit Rate. (Applicable for Commodity Murabahah based product only)

Currently, the Bank's BFR is at **6.40%** p.a.

For the purposes of this Letter of Offer:-

- Base Financing Rate means the rate of profit per annum from time to time prescribed by the Bank (and as varied from time to time by the Bank, subject always to the Ceiling Profit Rate where applicable) as an indicator rate against which rates of profit for financings made in Ringgit Malaysia in Malaysia
- a) to customers of the Bank are determined by the addition or otherwise of margins which rate is presently called the Base Financing Rate and shall mean any such indicator rate by whatever other name called by the Bank from time to time. If that rate is less than zero, the Base Financing Rate shall be deemed to be zero.

## 6. FACILITY TENURE

Up to **ten (10) years** from the date the Facility is made available by the Bank.

Notwithstanding any other provisions herein stated related to the availability of the Facility or any part thereof, the Bank reserves the right to cancel the Facility or any part thereof at any time it deems fit by giving **twenty one (21) days** notice in writing or the whole or any such part thereof shall be cancelled upon an event of default and the whole indebtedness or such part thereof shall be payable on demand.

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## 7. PAYMENT

- a) By **120** equal monthly instalments of **RM4,030-00** inclusive of profit until full settlement of the Facility.
- b) First (1<sup>st</sup>) instalment to commence **one (1) month** after full drawdown or upon expiry of availability period, whichever is earlier.



c) For CMTF-i under progressive release, profit is to be serviced monthly in arrears.

## 8. AVAILABILITY PERIOD

### a) Availability Period for Profit Rates

- i) The availability period for CMTF-i profit rates should not exceed **six (6) months** from the date of this Letter of Offer.
- ii) In the event the facility(ies) is not able to be disbursed within the availability period, the rates to be used will be the prevailing profit rates, if any, at the point of drawdown.

### b) Availability Period for Drawdown

Subject to fulfillment of all Conditions Precedent, the Facility shall be available for **six (6) months** from the date of this Letter of Offer or such other extended period as may be determined by the Bank. Any amounts not disbursed at the end of the Availability Period shall be automatically cancelled thereafter.

## 9. FEE

In respect of the Commodity Murabahah transaction, you shall pay to the Bank a trading fee of RM15-00 per every RM1,000,000-00 of the Facility Amount or such other amount as may be determined by the Bank from time to time.

In addition, all legal and incidental fee or charges (including but not limited to stamp duty) incurred or to be incurred in the preparation of all documentation and perfection of the Security shall be borne by you.

In the event you, having accepted this Letter of Offer, fails for any reason to proceed with the Facility, all costs and expenses incurred by the Bank and any solicitors instructed by the Bank shall be borne by you.

You shall be liable to pay all fees and expenses (including but not limited to any solicitor's fees (on a solicitor-client basis)) if any monies shall be required to be recovered by any process of law or by the solicitors.

## 10. SECURITY DOCUMENTS

- a) Letter of Offer.
- b) Master Facility Agreement.
- c) Asset Sale Agreement for **RM650, 156-86** over Shariah compliant commodities determined by the Bank as per the e-certificate or such other evidence of ownership maintained by the Bank for this Facility (attached herein).
- d) A first (1<sup>st</sup>) party registered charge over **Property 1**.

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- e) Finance Service Reserve Account (FSRA) which is in the form of upfront deposit in first (1<sup>st</sup>) party General Investment Account-i (GIA-i)/Islamic Fixed Deposit-i (IFD-i) for **RM12,090-00** [equivalent to **three (3) months** instalments]. Profit is to be capitalised.

For 1<sup>st</sup> party GIA-i/IFD-i:-

- i) Letter of Set-Off (LOSO) to be stamped for RM10-00.
- ii) Memorandum of Deposit (MOD) to be stamped and registered with Companies Commission of Malaysia (CCM).
- f) Individual Guarantee for **RM390,600-00** to be executed by Hoo Wei Sern (NRIC: 841103-14-6587).
- g) Assignment of Keyman Takaful/ Insurance for at least **RM300,000-00** to be taken up by Hoo Wei Sern (NRIC: 841103-14-6587).

h) Letter of Undertaking to be executed by all the Directors to cover any shortfall in payment of your facilities with the Bank.

and such other documents or security documents as the Bank or the Bank's solicitors may advise from time to time.

All obligors shall hereinafter be collectively referred to as "Security Party".

## 11. CONDITIONS PRECEDENT

The Facility is granted to you subject to the fulfilment of the following Conditions Precedent:-

- a) As indicated in the General Terms and Conditions in Annexure 2.
- b) Bank's receipt of the original/certified true copies of your Board of Directors' Resolution accepting the banking facilities and authorising the execution of the necessary security and other documents in connection therewith.
- c) Processing fee of **RM977-00** is payable and will be debited from your current account upon acceptance of this Letter of Offer.
- d) An Islamic current account is to be opened by you with our Taman Connaught branch within **seven (7) business days** from the date of acceptance of this Letter of Offer (if not done so).
- e) A Variable Standing Instruction (VSI) to be executed by you for the payment of CMTF-i via Current Account.
- f) Submission of a valid and duly stamped Proclamation of Sale (POS) indicating a purchase price of not less than **RM558,000-00**.

- Submission of an unqualified valuation report from our panel valuer addressed to the Bank, and indicating the property's Open Market Value (OMV) of not less than **RM558,000-00** for the purpose of securing credit facilities. Notwithstanding the above, the Bank shall be entitled to request for another valuation report from other panel valuers or conduct its own internal valuation on the property's OMV. In the event the property's OMV in the valuation report by any one of the panel valuers or the Bank's internal valuation of the property indicates that the OMV is less than **RM558,000-00**, the Bank shall be entitled to exercise its right to reduce the financing amount accordingly and/or impose such other terms and conditions as it deems fit or shall be entitled to exercise its rights to declare an event of default and exercise its rights hereof, as the case may be.
- g)
  - h) Margin of Financing (MOF) is **70%** against purchase price per POS or OMV per valuation report, or maximum financing limit of **RM390,600-00**, whichever is lower.

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- i) Release of the facility is subject to submission of documentary evidence that you have settled the differential sum between the POS and the Bank's financing amount. This is to be confirmed by the Bank's panel solicitor.
- j) You shall furnish to us a statutory declaration in form declaring that the proffered property will be occupied by you for own business use.
- k) Certificate of Completion and Compliance (CCC) on the proffered property to be obtained from the relevant authorities.
- l) Submission of your Audited Accounts for Financial Year End (FYE) 31/07/2022 indicating financial performance that is acceptable to the Bank.
- m) Fire takaful/insurance to be taken on the proffered property from the Bank's approved takaful/insurance companies. The Bank is to be endorsed as chargee and the policy shall not be terminated without the Bank's prior written consent.

The first (1<sup>st</sup>) right of refusal is to be given to Etiqa General Takaful Berhad/ Etiqa General Insurance Berhad to insure the property.

- n) Any further condition as advised by the Bank and/or solicitors of the Bank which may be necessary to perfect the security of the Bank or which a reasonable, prudent bank may require.

## 12. OTHER TERMS AND CONDITIONS

- a) Reimbursement to you is allowed up to **six (6) months** from date of POS or date of consent for transfer of lease (where applicable), whichever is earlier, subject to documentary evidence that payment has been made to the Vendor. This is to be confirmed by the Bank's panel solicitor.

b) You are encouraged to channel your business proceeds into your account maintained with the Bank.

c) The upfront deposit in 1<sup>st</sup> party GIA-i/IFD-i is to be maintained throughout the tenure of the facility. The Bank has the right to liquidate the GIA-i/IFD-i from the FSRA to cover any arrears without prior notification from you and you are to replenish the GIA-i/IFD-i within **one (1) month** from the date the GIA-i/IFD-i is liquidated.

d) Default Clause

In the event of you default on three (3) consecutive months in any due payment or your Cash Line-i account is in excess of the limit for three (3) consecutive months under the Facility, the Bank shall be entitled to increase the profit margin of the Effective Profit Rate to Base Financing Rate (BFR) + 2.50% p.a. or 1.0% p.a. above the Effective Profit Rate (if the Effective Profit Rate is BFR + 2.50% p.a. and above) ("the Default Rate") to be charged on the amount outstanding, or such other profit rates as the Bank may at its sole and absolute discretion prescribe from time to time.

For term financing where the payment for the Facility is by monthly, quarterly, half-yearly, yearly or bullet payment, the Bank shall be entitled to increase the profit margin of the Effective Profit Rate to Default Rate to be charged on the amount outstanding, or such other profit rates as the Bank may at its sole and absolute discretion prescribe from time to time, if the payment is due and unpaid for three (3) months from the first day of default.

Provided always that such increase shall not cause the total payment amount to exceed the Bank's Sale Price.

The Default Rate will be revised to the prevailing Effective Profit Rate upon full settlement of all your payment in arrears under the Facility.

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e) Funding Clause

During the entire Facility Tenure, the Bank reserves the right to increase the prevailing Effective Profit Rate to at least BFR + 0.00% in the event the difference between BFR and Bank Negara Malaysia (BNM) Overnight Policy Rate (OPR) declines to below 2% or imposed such other reference rate as deemed appropriate by the Bank. Provided always that such increase shall not cause the total payment amount to exceed the Bank's Sale Price.

The increased rate will revert to the prevailing rate in the event the difference between the BFR and OPR increases to 2% above.

The Facility is also subject to the terms and conditions as set out in **Annexure 1** and **Annexure 2** to this letter together with such other annexure(s) and attachment(s) (if any) which shall form an integral part of this Letter of Offer.

If the terms and conditions enclosed are acceptable to you, kindly signify your agreement by signing and returning to us the enclosed duplicate copy of this letter within **fourteen (14) days** from the date of this letter and or such other extended period as may be determined by the Bank. In the event that it is not duly accepted, signed and returned to us within the aforesaid period, the offer herein contained shall, unless so extended by the Bank, lapse and be of no further effect.

Upon receipt of your acceptance of this Letter of Offer, we shall, if so required advise the Bank's solicitors to prepare the necessary documentation containing such terms as the Bank may advise, and to take the necessary steps to perfect the security in connection with the Facility. The Bank's obligation to make available the Facility to you shall be subject to (among others) execution of such documentation and completion of such steps as may be advised by the Bank and/or solicitors of the Bank.

Documentation in respect of the Facility must be completed to the satisfaction of the Bank and forwarded to the Bank within **three (3) months** from the date of this Letter of Offer ("Completion Date") or such extended period as the Bank may without further notice to you agree in writing, failing which the Bank reserves the right to cancel the Facility.

We thank you for giving us the opportunity to be of service to you and we look forward to your acceptance of this Letter of Offer.

Thank you.

Yours faithfully  
for and on behalf of **MAYBANK ISLAMIC BERHAD**

WONG YOONG CHOON  
PF: 087786



ACKNOWLEDGEMENT

- Subject to the terms and conditions of the legal documentation to be executed, I/we further agree that this letter embodies in writing all and the entire terms of our agreement and I/we hereby declare and confirm that no warranties, promises, representations, collateral agreements have been made to me/us and if, which is denied, that any such warranties, promises, representations or collateral agreements were made they have now lapsed and are superseded by this Letter of Offer and be of no effect whatsoever.
- a) I/We acknowledge that I/we have read and understood the contents of this Letter of Offer and I/we further warrant that I/we have been advised to sought independent legal advice and acknowledge the obligations arising there from.
- b) If I/we are external account holder(s) or a non-resident controlled company, my/our total borrowings/financing in Malaysia does/do not exceed the amount as specified by the Controller of Foreign Exchange) and undertake to inform you immediately should my/our borrowings/financing exceeds the amount as specified by the Controller of Foreign Exchange.
- c) I/We further agree and authorise the Bank to make the relevant credit references with any external parties including but not limited to CCRIS, FIS, CTOS and any other credit reference agencies and that in so doing the Bank shall be entitled to disclose such information as may be necessary in order for the external parties to provide the Bank with the references/confirmation sought.
- d) I/We also undertake to utilise the Facility for purposes not contrary to Shariah principles, failing which the Bank reserves the right to terminate the Facility.
- e)



Authorised Signatories and Company Chop  
Name : **HOO WEI SERN**  
NRIC : **841103-14-6581**  
Date : **11 APRIL 2023**



**COMMODITY MURABAHAH TERM FINANCING-i (CMTF-i)**

1. Method of Financing : In accordance with the contract of *Murabahah* (Cost Plus Sale) and the Bank's financing procedures, upon the acceptance of the Letter of Offer for the Facility, you will request the Bank to purchase the underlying Shariah compliant commodities acceptable to the Bank (Commodity) from such commodity trader acceptable to the Bank and undertake to purchase the Commodity from the Bank. Pursuant to the request, the Bank will purchase the Commodity from any commodity trader at the price equivalent to the Facility Amount
- Thereafter, the Bank shall sell to you the Commodity and you shall purchase the Commodity at the Bank's Sale Price which shall constitute the Facility Amount and the Bank's Profit on deferred payment basis.
- You shall also appoint the Bank as your agent to sell the Commodity to any commodity trader or any third party at an amount which shall be equivalent to the Facility Amount.
- The proceeds of the sale of the Commodity shall be emplaced in your designated current account maintained with the Bank ("the Designated Current Account") for disbursement subject to the terms of the Facility and as may be determined by the Bank from time to time.
2. Purchase Request and Undertaking : In accordance with the financing procedures of the Bank, you hereby requests the Bank to purchase the Commodity from any commodity trader at the Facility Amount which shall be payable in accordance to the terms of the Facility.
- You hereby promise and irrevocably undertake to purchase the Commodity from the Bank, at the Bank's Sale Price.
- You confirm that the undertaking herein is irrevocable (except with the prior written consent of the Bank) and binding on your estate, heirs, successors in title, permitted assigns and personal representatives.
- You undertake to fully indemnify and keep the Bank indemnified from or against any expenses, loss, damages or liabilities resulting from any defect, malfunction and/or the lack of merchantable quality of the Commodity or lack of fitness for use of the Commodity or otherwise howsoever in connection with this Purchase Request and Undertaking including against any loss in any manner whatsoever which the Bank may suffer as a result of the Bank agreeing to participate in the commodity *Murabahah* transaction.
3. Appointment of Agency : You hereby irrevocably appoint the Bank as your agent to the effect that the Bank may perform the following:-
- i. to purchase the commodity that the Bank deems fit and take possession {physical or constructive) of the Commodity;
  - ii. sell the Commodity to any commodity trader or any third party at the price equivalent to the Facility Amount;
  - iii. receive proceeds from the sale of the Commodity on your behalf; and
  - iv. to deliver possession of and title in and to the Commodity to any purchaser of the Commodity.
- The Bank shall at all times act as your undisclosed agent and the Bank shall:-
- (a) be authorised to sign and execute all documents and do all acts and observe and perform all obligations required to be done in connection with the appointment as agent, or imposed under any agreement of sale of the Commodity to any commodity trader or third party; and

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- (b) be authorised to delegate its rights and duties as an agent herein to any third party to do all acts necessary for the completion of the required transactions; and
- (c) be required to do all the administrative duties regarding the holding and the selling of the Commodity thereof.

The appointment of the Bank as your agent shall cease upon termination or cancellation of the Facility. In addition, the Bank also reserves the right to terminate this appointment for any negligence or misconduct by you.

**Bank as your agent to execute documents**

In addition to the appointment of agency as stated above, you hereby appoint the Bank as your agent to perform the following for and on your behalf:-

- (i) to act and/or execute the necessary documents under the commodity *Murabahah* transaction (including but not limited to the Asset Sale Agreement); and
- (ii) to act and/or execute the necessary documents under the commodity *Murabahah* transaction (including but not limited to the Asset Sale Agreement) for the renewal of the Facility, if applicable;

Save for the purpose of this appointment, the appointment shall not create or be deemed to create a partnership or a joint venture between the parties, nor shall it establish a relationship of principal or agent in any other relationship between the Bank and you.

You hereby agree that you shall indemnify and keep the Bank indemnified from any losses, costs, expenses or damage that the Bank may suffered or incur as a result of fulfilling the Bank's agency function as set above.

The sale of the Commodity by the Bank shall be governed by the terms and conditions of the Letter of Offer.

4. Terms and conditions of Sale of Commodity

The Customer shall obtain such title to the Commodity as the Bank receives from the commodity trader free from encumbrances. The Bank shall not be deemed to give any warranty or representation (express or implied) whatsoever, whether arising by law, by statute or otherwise and, without prejudice to the generality of the foregoing, any such warranty or representation by the Bank is hereby expressly excluded to the full extent permitted by any applicable law.

The parties hereby agree that upon the sale of the Commodity by the Bank to the Customer, the Customer shall bear full ownership and responsibilities towards the Commodity.

The Customer agrees that in purchasing the Commodity from the Bank, it shall have accepted the Commodity on an 'as is, where is' basis.

The Customer hereby waives any claims which it may have against the Bank in respect of any loss or damage which he may suffer by reason of, or arising out of or in connection with the Letter of Offer or any other security documents or otherwise (howsoever arising) in connection with or arising from the purchase of the Commodity.

5. MRTT/MRTA (If applicable)

Mortgage Reducing Term Takaful ("MRTT")/Mortgage Reducing Term Assurance (MRTA) shall be taken-up from either the Bank's (a) panel takaful/insurance or such other takaful operators/insurance companies of your choice as the Bank may require (for non-panel takaful operators/insurance companies, subject to the approval of the Bank).



The MRTT/MRTA coverage is to be taken prior to the release of the facility. Unless provided otherwise, the MRTT single contribution (b) is to be incorporated into the facility amount. In the event the MRTT single contribution is not to be incorporated into the facility amount, you shall finance the contribution charged. In the event you opt for MRTA, you shall finance the premium charged.

In the event the MRTT/MRTA is deemed substandard, the Bank's panel takaful operators/insurance companies or such other takaful (c) operators/insurance companies of your choice may charge additional contribution/premium or health loading contribution/premium. Under such circumstances, you shall finance the additional contribution/premium charged.

In the event of the inability on your part to satisfy the requirements imposed by either the Bank's takaful operators/insurance companies or such other takaful operators/insurance companies of your choice for the MRTT/MRTA coverage resulting in no MRTT/ (d) MRTA coverage in respect of the facility(s) offered by the takaful operators/insurance companies vide this letter of offer, you confirm that you fully understand the consequential effects that such absence of the MRTT/MRTA and therefore agree not to hold the Bank responsible.

In the event that you have requested the Bank for waiver of MRTT/MRTA coverage or in the event of the inability on your (e) part to satisfy the requirements imposed by either the Bank's panel takaful operators/insurance companies or such other takaful operators/insurance companies of your choice for the MRTT/MRTA coverage resulting in the MRTT/MRTA coverage in respect of the facility(s) offered by the takaful operators/insurance companies vide this letter of offer is not for the full facility amount and/or not

for the full tenure of the facility(s), you confirm that you fully understand the consequential effects that such absence of the MRTT/ MRTA and therefore agree not to hold the Bank responsible.

6. PRTT/PRTA (If applicable)

(a) Personal Reducing Term Takaful (“PRTT”)/Personal Reducing Term Assurance (PRTA) shall be taken-up from either the Bank’s panel takaful operators/insurance companies or such other takaful operators/insurance companies of your choice, as the Bank may require (for non-panel takaful operators/insurance companies, subject to the approval of the Bank).

(b) The PRTT/PRTA coverage is to be taken prior to the release of the facility(s). Unless provided otherwise, the PRTT contribution is to be paid from the facility amount. In the event the PRTT single contribution is not to be paid from the facility amount, you shall finance the contribution charged. In the event you opt for PRTA, you shall finance the premium charged.

(c) In the event the PRTT/PRTA is deemed substandard, the Bank’s panel takaful operators/insurance companies or such other takaful operators/insurance companies of your choice may charge additional contribution/premium or health loading contribution/premium. Under such circumstances, you shall finance the additional contribution/premium charged.

(d) In the event of the inability on your part to satisfy the requirements imposed by either the Bank’s panel takaful operators/insurance companies or such other takaful operators/insurance companies of your choice for the PRTT/PRTA coverage resulting in no PRTT/PRTA coverage in respect of the facility(s) offered by the takaful operator/insurance companies vide this letter of offer, you confirm that you fully understand the consequential effects that such absence of the PRTT/PRTA and therefore agree not to hold the Bank responsible.

(e) In the event that you have requested the Bank for waiver of PRTT/PRTA coverage or in the event of the inability on your part to satisfy the requirements imposed by either the Bank’s panel takaful operators/insurance companies or such other takaful operators/insurance companies of your choice for the PRTT/PRTA coverage resulting in the PRTT/PRTA coverage in respect of the facility(s) offered by the takaful operator /insurance companies vide this letter of offer is not for the full facility amount and/or not for the full tenure of the facility(s), you confirm that you fully understand the consequential effects that such absence of the PRTT/PRTA and therefore agree not to hold the Bank responsible.

[End of Annexure 1]

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ANNEXURE 2

### GENERAL TERMS AND CONDITIONS

1. Conditions Precedents

The obligation of the Bank to make any disbursement is subject to the fulfillment in the manner satisfactory to the Bank prior to the making of any disbursement, of the following Conditions Precedent (including but not limited to):

#### 1.1 Conditions Precedent

(a) The Security Documents shall have been duly executed, stamped and presented for registration with such registries as the Bank may deem necessary or expedient.

(b) Searches have been conducted by the solicitors on you and/or Security Party or your directors and/or directors of the Security Party at the Companies Commission of Malaysia (“CCM”) and Jabatan Insolvensi Malaysia (“JIM”) (whichever applicable) confirming that you and/or Security Party have not been wound up or adjudicated bankrupt (whichever applicable).

(c) That as from the date when you first applied for the Facility, there has been no material alterations or changes or event or events occurred which could or might materially or adversely affect your and/or Security Party’s financial condition or otherwise or your and/or Security Party’s ability to observe and perform their obligations under this Letter of Offer and other Security Documents which could or might adversely affect decision of the Bank to proceed with the granting of the Facility.

(d) You and/or Security Party (where applicable) has disclosed to the Bank all material facts known to you/them relating to your/their financial conditions.

(e) you and/or Security Party are not in default under any agreement to which you/they are party or by which you/they may be bound and no litigation arbitration or administrative proceedings are presently current or pending or threatened which default litigation

arbitration or administrative proceedings as the case may be might in the opinion of the Bank (which opinion shall not be questioned on any account whatsoever) materially affect your and/or Security Party's solvency or might affect your and/or Security Party's ability to observe and perform your /their obligations under this Letter of Offer and other Security Documents.

- (f) The Bank is satisfied that no event has occurred so as to render any indebtedness under the Facility to become immediately payable and no Event of Default under the Facility has occurred or is threatened.

- (g) Where applicable, the solicitors shall have certified that a search on the property at the relevant land registry or office showed that the property is free from any encumbrances whatsoever and, where applicable, there are no restrictions in interest affecting the property. In the event there is any restriction in interest, prior written consent should have been obtained from the relevant authority.



- (h) For property held on land that is in the process of status conversion to "industrial or commercial", disbursement of funds is subjected upon payment of premiums for the conversion of land. Otherwise the Bank reserves the rights to revise, vary, reduce or cancel the facility(s) offered as it deemed fit.

- (i) Letter of Undertaking from master chargee or any other chargee bank (if any) to exclude the property in the event of any foreclosure proceedings taken against the property and disclaiming all rights and interests over the property have been obtained.

- (j) Letter of Undertaking from vendor/developer to forward a copy of the individual title/strata title to the property upon issuance free from encumbrances and to further undertake to refund all monies released in the event that the transfer cannot be registered for whatsoever reasons.

- (k) There shall have been obtained all approvals, consents, authorizations and licenses, including but not limited to those which are corporate or which may be required from any governmental or statutory or regulatory authorities or creditors, which are necessary or expedient for the obtaining of the Facility from the Bank hereunder, the execution where appropriate, registration of the Security Documents in respect of the Facility, the carrying out of your business and/or affairs and for the transactions herein contemplated.

- (l) You and/or any other relevant party shall have fulfilled, in a manner satisfactory to the Bank, all other conditions precedent as set out in the Letter of Offer or any further conditions as advised by solicitors of the Bank or conditions which may subsequently be imposed by the Bank.

2. Execution of Security Documents : Notwithstanding anything to the contrary, the Facility is conditional upon the preparation, execution and perfection of the Security Documents as stated herein. If you do not fulfill such conditions within 30 days from the date of acceptance of this Letter of Offer (or such other extended time as may be permitted by us from time to time), the Bank reserves the right to vary or terminate the Facility at the Bank's sole discretion.

3. Termination and Acceleration : Notwithstanding any other provisions herein stated relating to the payment and availability of the Facility, the Bank reserves the right in the event of default, to terminate and accelerate pay'ment of the Bank's Sale Price and/or other indebtedness at any time it deems fit by giving written notice of the same, whereupon the Facility or such part thereof shall be terminated and the whole indebtedness or such part thereof shall be payable upon demand.

Without prejudice to the generality of the foregoing, the Bank reserves the right to terminate and accelerate payment of the Bank's Sale Price and/or other indebtedness, if the Facility(s) is utilised for any purpose which is in contravention of the Shariah principles as determined by the Bank.

4. Credit Bureau : Bank Negara Malaysia (BNM) has established the Credit Bureau, to collect information from banks regarding the credit facilities, which they grant to their customers. This is to enable participating banks that are approached for credit facilities by a customer to be informed by the Credit Bureau of the aggregate credit facilities granted to the customer by other banks. This information to be kept strictly confidential between the Credit Bureau and all other participating banks and it is a term of this Facility that information regarding it will be given to the Credit Bureau for the use of the Credit Bureau and the participating banks.





5. Cost and Expenses : (a) In the event the customer, having accepted this Letter of Offer, fails for any reason to proceed with the facility, all costs, fees and expenses whatsoever including but not limited to legal fees (on a solicitor and client basis), stamp duty, incidental fees or other charges incurred by the Bank in connection with or incidental to the Facility shall be borne by you.

- (b) In the event that the Facility is cancelled by you, the Bank reserves the right to recover from you all legal fees, stamp duty, disbursements, valuation fees and cost incurred or suffered by the Bank arising from or relating to this Facility (including those which the Bank had agreed to bear as aforesaid) by any method the Bank deems necessary without further notice, including, the right to debit any account maintained by you with the Bank. You shall be liable to pay all fees and expenses including the Bank's legal fee, for any monies that shall be required to be recovered by any process of law or by the Bank's solicitors or such other parties appointed by the Bank.

6. Late Payment Charges (LPC) : (a) It is expressly agreed by the parties that the Bank shall have the right to be compensated on late instalment and/or default payment based on the following mechanism:

(i) **Overdue installment or Scheduled Payment**

For failure to pay any instalment or any payment due from the date of the first disbursement of the Facility until its expiry or maturity date, an LPC sum equivalent to one per cent (1%) per annum of the overdue instalments/payment or by any other method approved by Bank Negara Malaysia (BNM);

(ii) **Upon Maturity**

For failure to pay any instalments or any payment due and which failure continues beyond the expiry or maturity date of the Facility or upon judgment, whichever is earlier, at the LPC rate which shall be the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on the outstanding balance due and payable or any other method approved by Bank Negara Malaysia from time to time.

- (b) Notwithstanding the amount of LPC charged, it is expressly acknowledged and agreed that the said amount of LPC shall not be further compounded.

- (c) The LPC shall be applied to the judgment sum and shall be payable from the date of the judgment is made until the date of actual payment.

7. Rebate : The Bank shall grant rebate (*ibra'*) to you for any sale based Facility on, but not limited to, the following events:
- (a) Early settlement or early redemption, including those arising from prepayments;
  - (b) In the event of early commencement of Monthly Instalment prior to the expiry of grace profit period (for properties under construction); and
  - (c) In the event the Effective Profit Rate is lower than the Ceiling Profit Rate.
  - (d) In the event the actual disbursed amount is less than the Facility Amount.

For avoidance of doubt, it is hereby acknowledged and agreed that the rebates referred to herein shall not be construed in any manner whatsoever as cash rebate payable to you, but shall be reflected as a reduction in the profit element of the Bank's Sale Price. The rebate shall only be deemed granted upon receipt of the settlement/redemption sum as determined by the Bank based on the following formula:

Outstanding Bank's Sale Price	LESS	Outstanding Facility Amount	LESS	Other Amount Due to the Bank
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8. Prepayment : Prepayment of the facility is allowed in full or in part without compensation, break funding cost, premium or compensation subject to the following:

- (a) you shall provide one month prior written notice to the Bank;
- (b) any amount prepaid shall not be available for refinanced; and
- (c) prepayments shall be made in the inverse order of maturity

Failing which and as approved by the Bank's Shariah Committee, actual cost incurred by the Bank shall be imposed. For avoidance of doubt, any prepayment on profit payment date shall not be subjected to break funding cost or other premium or compensation.

9. Default/Funding Rate : (a) Default Clause

In the event of you default on three (3) consecutive months in any due payment or your Cash Line-i account is in excess of the limit for three (3) consecutive months under the Facility, the Bank shall be entitled to increase the profit margin of the Effective Profit Rate to Base Financing Rate (BFR) + 2.5% p.a. or 1.0% p.a. above the Effective Profit Rate (if the Effective Profit Rate is BFR + 2.5% p.a. and above) ("the Default Rate") to be charged on the amount outstanding, or such other profit rates as the Bank may at its discretion prescribe from time to time.

For term financing where the payment for the Facility is by monthly, quarterly, half-yearly, yearly or bullet payment, the Bank shall be entitled to increase the profit margin of the Effective Profit Rate to Default Rate to be charged on the amount outstanding, or such other profit rates as the Bank may at its discretion prescribe from time to time, if the payment is due and unpaid for three (3) months from the first day of default.

Provided always that such increase shall not cause the total payment amount to exceed the Bank's Sale Price.

The Default Rate will be revised to the prevailing Effective Profit Rate upon full settlement of all your payment in arrears under the Facility.



(b) Funding Clause

During the entire Facility Tenure, the Bank reserves the right to increase the prevailing Effective Profit Rate to at least BFR + 0.00% in the event the difference between BFR and Bank Negara Malaysia (BNM) Overnight Policy Rate (OPR) declines to below 2% or at least up to Cost Of Fund (COF) + 1% in the event the Effective Profit Rate is lower than the prevailing COF (whichever applicable) or imposed such other reference rate as deemed appropriate by the Bank. Provided always that such increase shall not cause the total payment amount to exceed the Bank's Sale Price.

10. Consents, Undertaking and Caveat : You shall by signing and accepting this Letter of Offer, consent and authorize the Bank to lodge any caveat or to obtain all undertakings, disclaimers and consents to the satisfaction of the Bank which are necessary in the Bank's view for release of the Facility.

11. Rights of Bank to Indebtedness : All indebtedness which may include the Bank's Sale Price and/or other moneys due and payable under the Facility shall continue to be due and payable, notwithstanding any termination of the relationship of banker and customer or any judgment or order obtained by us until full payment is received by the Bank.

12. Exchange Control : You are responsible for obtaining any exchange control approvals which may be required.

13. Review : Notwithstanding and without prejudice to anything herein stated, the Bank may review the Facility from time to time at any time as the Bank may in its sole discretion deem fit including any time before the utilization of the Facility.
- The Bank shall allow utilization or disbursement of the Facility or any portion thereof subject only to the Bank being satisfied that the review exercise indicates there are no financial, market or business or environmental factors, material or otherwise that may affect you financially.
- The Bank reserves the right upon review (with seven (7) days prior notification to you) to cancel, suspend, restructure, vary or amend the Facility and the operating account(s) for the Facility or any terms and conditions herein prior to any utilization or disbursement of the Facility or any portion thereof.
14. Variation of the Facility : It is hereby expressly agreed and declared by the parties hereto that the Facility and/or the Security Documents may, subject to Shariah principle, be varied in the manner acceptable to the Bank and thereupon such amended details of the Facility and/or the Security Documents shall be deemed to become effective and shall be read and construed as if such amended details have been incorporated in and had formed part of the terms and conditions of the Letter of Offer.
15. Right to Withdraw / Cancel Facility Prior to / After Completion of Documentation : The Bank has the right upon an event of default to do the following at any time whatsoever whether or not the Facility herein have been disbursed or utilized:-
- i. At any one time hereafter and notwithstanding that the Security Documents has been completed, to withdraw or not make available the Facility or any part thereof upon the happening of any event which in the Bank's opinion would affect in any way your financial position and / or hinder the carrying on your business affairs in accordance with sound financial, industrial or commercial standards and practices and / or would jeopardise the Bank's security position and/or which is a default in respect of any of the requirements of the Bank whatsoever at any time and from time to time and the decision of the Bank shall be final and conclusive. The Bank has the absolute discretion to decide on the implementation of this condition (whenever deemed applicable).

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- Notwithstanding that the Security Documents has been duly approved, accepted and/or completed, the Bank has the absolute right and discretion not to release or make available the Facility or any part thereof or to withdraw, terminate and/or terminate the Facility and the operating account(s) for the Facility therein granted to you immediately upon the Bank becoming aware that you and/or security party is/are or has/have been investigated or is/are alleged to be involved and/or had committed any illegal activities or criminal offences of any nature whatsoever or will be or have been allegedly subjected to any criminal prosecution and/or conviction and/or any security in respect of the Facility held by the Bank is subjected to or at risk of freezing, seizure and forfeiture by the Federal Government and/or other relevant authorities or regulatory bodies. In all events, the Bank's decision shall be final and conclusive.
- ii.

- Where applicable, to withdraw this Letter of Offer in the event the terms and conditions of such other document required by the Bank are deemed to be unfavorable and not in the Bank's interest. In the event such document has not been given to the Bank prior to issuance of this Letter of Offer, this Facility is subject to the Bank being satisfied with the terms of such document upon it being forwarded to the Bank.
- iii.

The Bank has the right to suspend / freeze the operating account for the Facility granted by giving written notice.

16. Representations and Warranties : 16.1 You acknowledge that the Bank has entered into this Letter of Offer, in full reliance on your representations in the following terms:-
- Powers and authorisation: you have the powers and legal authority to execute and deliver, and perform your obligations under this
- (a) Letter of Offer and/or the Security Documents which constitutes your valid and binding obligations enforceable in accordance with its terms and has not been terminated;
- Non-violation: neither the execution and delivery of this Letter of Offer and/or the Security Documents nor the performance of any
- (b) of the transactions contemplated in such documents will contravene or constitute a default under any provision contained in any agreement, instrument, law, judgment, order, license, permit or consent by which you or any of your/its assets is bound or affected;

- Consents: no authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken is necessary or desirable to ensure the validity, enforceability or priority of your liabilities and obligations and the rights of the Bank under the Security Documents;
- (c) No default: no event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under, any agreement or instrument by which you or any of your assets is bound or affected;



- Litigation: no litigation, arbitration or administrative proceeding or claim that may have a Material Adverse Effect (as defined hereafter) which would by itself or together with any other such proceedings or claims have been made against you or the Security Party or against your or the Security Party's assets;
- (e) Change in Customer: Since the date you applied for the Facility there has been no material alterations or changes which could or might adversely affect your ability to perform your obligations under the Security Documents;
- Information: the information furnished or to be furnished by you in connection with the Facility does not contain any untrue statement or omit to state any fact the omission of which makes the statements therein, in the light of the circumstances under which they were made are misleading in any material respect and there is no material omission in respect thereof, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful enquiry by you;
- (g) Guidelines on Credit Transaction and Exposures with Connected Parties for Islamic Banks: None of the Security Party or the spouses, parents, children of such Security Party are directors, officers or in any way otherwise connected with the Bank within the meaning of the said Guidelines;
- (h) Where you are a company, you are duly incorporated and validly existing under the Companies Act, 2016 and the laws of Malaysia and has full power and authority to own assets, to apply and accept the Facility and carry on your business as it is now being carried out;
- (i) Event of Default: no event of default has occurred and/or is continuing.
- (j)

#### 16.2 Survival

The representations and warranties set out herein shall survive the signing and delivery of this Letter of Offer and any utilisation of the Facility and until the full and final settlement of the Facility, as the case may be.

#### 17. Covenants : 17.1 Affirmative Covenants

By your acceptance of the Facility, you undertake that so long as the Facility or any part thereof or any profit or any other sum from time to time payable hereunder shall remain outstanding you shall:-

- (a) at all times operate your account actively and satisfactorily and observe the approved limit of the Facility;
- (b) keep the Bank in close touch with the progress of your business and furnish the Bank with such information to such extent and in such form and detail as the Bank may from time to time reasonably require;
- (c) carry on and conduct your affairs and businesses with all due diligence and efficiency and in accordance with sound financial and business standards and practices;
- (d) keep full and particular accounts of the carrying on of your business or businesses and cause the same to be properly posted up to date and furnish the Bank with audited annual financial statements within six (6) months or such other period determined by the Bank of the close of each financial year;



- (e) notify the Bank of the occurrence of any Event of Default or of any material adverse change in your condition (financial or otherwise) or of any other occurrence of which you become aware which in the Bank's reasonable opinion might adversely affect your ability fully to perform its obligations under this Letter of Offer;
- (f) notify the Bank should any of your authorised signatories be no longer authorised to sign or otherwise to act on your behalf hereunder.
- (g) appoint from time to time such auditor or firm of auditors acceptable to the Bank and authorise such auditor or firm of auditors to supply the Bank with a certified copy of any communication sent by such auditor to you and further to communicate directly with the Bank at any time in respect of any matter connected with your accounts and operations subordinate all your existing and future shareholders and/or directors and /or related companies advances to the Bank.
- (h) notify the Bank in the event of any change in your residential status.
- (i) immediately notify the Bank in the event of change of nature of your business (if applicable). In the event such change results in a breach to the Shariah principles, the Bank reserves the right to terminate the Facility whereupon the indebtedness shall be payable on demand.

17.2 Negative Covenants

You further undertakes by its acceptance of the Facility you will not without the Bank's prior written consent:-

- (a) incur assume guarantee or permit to exist any indebtedness except for the indebtedness under this Letter of Offer and any indebtedness which has been disclosed by you to the Bank prior to the date of this Letter of Offer.
- (b) create or permit to exist any lien on any of your assets except any tax or other statutory lien provided that such lien shall be discharged within thirty (30) days after final adjudication, "lien" being defined to include any assignment mortgage pledge charge privilege encumbrance and/or priority of any kind and "assets" being defined to include any right interest receivable revenue and/or property movable or immovable of any kind, present or future;
- (c) enter into any transaction with any person except in the ordinary course of business on ordinary commercial terms and on the basis of arm's length arrangements or establish any exclusive purchasing or sales agency or enter into any transaction whereby you may pay more than the ordinary commercial price for any purchase or may receive less than the full ex-work commercial price (subject to normal trade discounts) for its products;
- (d) enter into any partnership profit-sharing or royalty agreement or other similar arrangement whereby your income or profits are or might be shared with any person firm or company or enter into any management contract or similar arrangement whereby your business or operations are managed by any other person firm or company;
- (e) make or have any subsidiary make or permit to give financing or lending or make advances to your holding company or any related corporation or to others including a director of any subsidiary or holding or any related corporation or make investments in other companies or enterprise or guarantee any person including a director of any subsidiary or holding or any related corporation enterprise or company (other than normal trade credit or trade guarantees or temporary financings to staff customers contractors or suppliers in the ordinary course of business) PROVIDED that you shall be at liberty to invest in short-term marketable securities acquired solely so as to utilize such funds as are not immediately required for its business;



- add to, delete, vary or amend your Memorandum and Articles of Association or constitution in any manner which would be inconsistent with the provisions of this Letter of Offer or the nature of your business, or sell, transfer, lease or otherwise dispose of all or a substantial part of your capital assets, or undertake or permit any merger, consolidation or reorganization if the result in so doing will materially and adversely affect your financial condition;
- (f) save in the normal course of business, dispose of any your assets or investments;
- (g) allow any court judgment entered against you to be unsatisfied for more than fourteen (14) days;
- (h) decrease or in any way alter your authorized or issued capital, whether by varying the amount structure or value thereof or the rights attached thereto or connected to any of its share capital into stock or by consolidating, dividing or subdividing all or any of its shares.
- (i) declare or pay dividends to your shareholders if there monies under this Facility due and payable;
- (j) undertake or permit any merger, consolidation or reorganization or amalgamation by way of a scheme of arrangement (voluntary or otherwise) or otherwise or approve, permit any transfer of any part of its issued capital;
- (k) make any prepayment of any advances or financing by your shareholders, directors or related companies.
18. Debit to Account : Any monies due and payable to the Bank, or advanced by the Bank on your behalf may be debited to any account as the Bank deems fit and if debited to your current account, may be treated as an advance on an overdraft facility. Notification of at least twenty one (21) days will be given to you prior to the effective date of the implementation.
19. Evidence of Indebtedness : In any legal action or proceedings relating to the Facility, a certificate of the Bank as to any amount due to it under the Facility shall, in the absence of manifest error, be conclusive evidence that such amount is in fact due and payable.
20. Events of Default : Notwithstanding any other provision herein relating to any payment of Facility, the Facility or any part thereof may be terminated whereupon all indebtedness being outstanding and unpaid thereon and all other moneys owing to the Bank shall be payable on demand in the event:-
- (a) You and/or Security Party (i) defaults or fails to pay any amount due in respect of the Facility, or (ii) fails to pay on due date any monies payable by you, and/or Security Party under any agreement or arrangement to any other financier;

- (b) You and/or Security Party dies, become insane or is adjudicated a bankrupt or is wound up or insolvent;
- (c) You and/ or Security Party fails to observe or perform any of the agreements, covenants, stipulations, terms and conditions under herein to be observed or performed;
- (d) A distress or execution is levied or enforced upon any of your property or assets and/or Security Party's property or assets and is not satisfied within seven (7) days from the date of commencement of such distress or execution;
- (e) Legal proceedings, suit or action of any kind is instituted against you and/ or Security Party;
- (f) You and/or Security Party are unable to pay any debt or suspend payment thereof or enter into any arrangement or composition (voluntary or otherwise) in respect of the affairs of the company with your financiers/creditors or your guarantor or security party's financier/creditor, or commit an act of bankruptcy or insolvency or passed or any application any resolution for the Customer and/or any Security Party to be placed under judicial management;

- (g) Any event occurs or circumstances arose including changes in the financial condition which in the opinion of the Bank would materially affect your ability and/or Security Party's ability to perform or comply with your /its obligations to the Bank;
- (h) The Bank is in the opinion that the security in favour of the Bank is in jeopardy;
- (i) You have been listed with any adverse record in the Dishonoured Cheques Information System;
- (j) Any part of your and/or the Security Party or your or their subsidiaries assets shall be acquired, seized or otherwise appropriated or nationalized by any person acting or purporting to act under the authority of the government, or you shall have been prevented from exercising your normal control and possession over such asset;
- (k) You enter into or propose to enter into or a declaration is made by any competent court or authority, a moratorium on the payment of indebtedness or other suspension of payments generally;
- (l) An event has occurred or a situation exists which may, in the Bank's opinion cause the occurrence of a Material Adverse Effect; or
- (m) Such other events of defaults as may be advised by the Bank's solicitors.

then, at once or at any time thereafter, the Bank may, by notice to you declare the Facility to be immediately due and payable whereupon:

- (a) the indebtedness shall become immediately due; and
- (b) no further utilization of the Facility shall be made and the Facility shall be cancelled.

For the avoidance of doubt, the term "Material Adverse Effect" means a change in or a material adverse effect upon:-

- (a) the business, operations or financial condition of you and or the Security Party;



- (b) the ability of you and/or Security Party to perform its obligations under any of the Security Documents; and/or
- (c) the legality, validity or enforceability of any of the Security Documents.

- 21. Set Off : The Bank may with seven (7) calendar days' notice to you, combine, consolidate or merge all or any of your accounts with the Bank and may set off or transfer any sum outstanding to the credit of any such accounts in or towards the satisfaction of any of your liabilities to the Bank under the Facility.  
  
The Bank may concurrently earmark the available funds in your accounts against the outstanding balance of the facility(s) upon the issuance of the notice to you.
- 22. Cross Default : You hereby expressly agree that if any sums shall be due from you and/or Security Party to the Bank or any third party or parties under any agreement or instrument from time to time or at any time or if you and/or Security Party may be or become liable to the Bank or any third party or parties anywhere on banking account or any other account current or otherwise in any manner whatsoever or if default is made in any provisions of such account or in any other banking facilities granted by the Bank or any third party or parties to you and/or Security Party or in any of the provisions herein, then in any such event, upon notification by the Bank to you within seven (7) Business Days, the moneys hereby secured together with all moneys payable under such account or other banking facilities aforesaid shall immediately become due and payable and the security herein shall become immediately enforceable.
- 23. Indemnity : You shall fully indemnify the Bank against any loss or expenses (including legal fees on a solicitors and client basis) which the Bank may incur as a consequence of any default on your part in due performance of any of the obligations expressed to be assumed by you in relation to the Facility.
- 24. Increased Costs/Capital Adequacy : Where the Bank determines that the introduction or change in any law (or any change in the interpretation or application of any law), regulation, directive or request from any governmental or regulatory authority (whether or not having the force of law) imposes or modifies any capital adequacy or similar requirement (including, without limitation, a requirement, which affects the Bank's allocation of capital resources to its obligations) and, as a result, increases the cost to the Bank of making or maintaining or of funding any amount

paid out or contingently to be paid out under the Facility or obliges the Bank to make any payment or calculated by reference the amount of any sum received or receivable by the Bank, then:-

- i) the Bank shall notify you of such event upon its becoming aware of the same;
- ii) the Bank shall be entitled to vary the Effective Profit Rate on the Facility;
- iii) the Bank shall be entitled to review the Facility and take necessary action it deems fit including but not limited to discontinue further utilization or terminate the Facility.

25. Illegality : Where the Bank determines that the introduction, imposition or variation of any law, order, rule, regulation or official directive (whether or not having the force of law) or any change in the interpretation or application thereof or any compliance therewith makes it apparent to the Bank that it will be unlawful or impractical without breaching any such law, order, regulation or official directive (whether or not having the force of law) for the Bank to maintain, fund or give effect to its obligations herein:-

- a) the Bank's obligations to fund any further utilization shall terminate and the Facility shall be cancelled to such extent; and

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- b) if any utilization has been made, you shall prepay the Facility without premium or penalty to the Bank as the Bank shall direct and certify to be necessary to comply with the relevant law.

26. Statement by Bank : A statement by a duly authorized officer of the Bank for the time being, as to any amount due and payable shall, saves for manifest error be conclusive evidence for all purposes.

27. Dissolution of Wakalah : The appointment of the Bank as your agent shall cease upon termination or cancellation of the Facility. In addition, the Bank also reserves the right to terminate this appointment for any negligence or misconduct by you.

28. Guarantee : Notwithstanding anything herein contained the fact that one or more of the above named guarantors may not have executed a guarantee in form and substance acceptable to the Bank, the guarantee when executed shall be binding and enforceable against each guarantor who executes the same.

29. Change in Shareholding and/or Partnership : You shall not without first obtaining the prior written consent of the Bank, allow any change in your existing shareholders or their respective shareholdings or in your existing composition of partners, failing which, the Bank may declare the banking facilities to be cancelled and all indebtedness to be immediately due and payable.

30. Changes in Circumstances : The obligation of the Bank to continue to make available to you the Facility shall, in addition to the terms and conditions herein and there being no default by you, be subject to there being no change in circumstances which may affect the ability of the Bank to grant the Facility or which may increase the cost to the Bank of doing so.

31. Notices : a) Any notice or communication may be in writing and may be delivered personally, by post, telex, cable or facsimile to you at the address herein stated. Proof of posting or dispatch of any notice or communication to you shall be deemed to be proof of receipt:-  

- i) if personally delivered, at the time of delivery; or
- ii) if posted, on the second business day after posting; or
- iii) in the case of telex or cable, on the business day immediately after transmission; or
- iv) in the case of a facsimile, on the business day immediately after transmission provided that the Bank has received an answer back confirmation.

- b) No change in your address herein stated howsoever brought about shall be effective or binding on the Bank unless actual notice of the change of address has been given to the Bank.

32. Service of Legal Process : a) The service of any legal process may be given by prepaid registered or ordinary post sent to you at the address herein stated and such legal process shall be deemed to have been duly served after the expiration of five (5) days from the date it is posted.



- b) No change in your address herein stated howsoever brought about shall be effective or binding on the Bank unless actual notice of the change of address has been given to the Bank.

33. Severability : Any term, condition, stipulation, provision, covenant or undertaking contained herein which is illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining provisions hereof and any such illegality, prohibition or unenforceability in any jurisdiction shall not invalidate or render illegal, void or unenforceable any such term, condition, stipulation, provision, covenant or undertaking in any other jurisdiction.



34. Waiver : No delay by the Bank in exercising nor any omission to exercise any right, power or remedy accruing to the Bank upon any default shall affect, impair or prejudice any right, power or remedy or be construed to be a waiver thereof or any acquiescence in such default, nor shall any action by the Bank in respect of any default, impair or prejudice any right, power or remedy of the Bank in respect of any subsequent default.

35. DCHEQS : In accordance with the prevailing DCHEQS guidelines, the Bank reserves the right with notice given to you at least twenty one (21) days to close your current account(s) whether held solely or jointly with others.

36. Guidelines on Credit Transactions and Exposures with Connected Parties for Islamic Banks by Bank Negara Malaysia (BNM) : In accordance with the Guidelines on Credit Transaction and Exposures with Connected Parties for Islamic Banks and/or of any replacement guidelines/specifications/circulars issued pursuant to the Islamic Financial Services Act 2013, the approval and the operation or utilization of such facility is strictly conditional that neither you or your partners or directors, shareholders, managers or agents of your firm or company or Security Party for the Facility is directly related to any director, officer or employee of the Bank currently or at any time in the future either as a parent, spouse or child. The Bank reserves the right to terminate the Facility and you hereby undertake to advise the Bank immediately if the above relationship is established or discovered at any time.

37. Time : Time shall be the essence of this Letter of Offer.

38. Successors Bound : This Letter of Offer shall be binding upon your successors in title and on the successors in title and assigns of the Bank.

39. Assignment : The Bank may at any time without requiring your consent or concurrence assigns or transfers its rights, interest and obligations hereunder. You shall not assign or transfer your rights hereunder or any interest herein. All costs and expenses incidental to such assignment or transfer, shall be payable by you.

40. Market Disruption : If a Market Disruption Event occurs in relation to the Facility for any profit period, the Effective Profit Rate payable on the Facility for that profit period shall be the rate per annum which is the sum of:

- (a) the margin, and
- (b) in any event before profit is due to be paid in respect of that profit period, (expressed as a percentage rate per annum) the cost of the Bank for funding the Facility from the source which it may select provided always that it should not exceed the Ceiling Profit Rate.

“Market Disruption Event” means:

- (a) At or about noon on the quotation day of the relevant profit period, the screen rate is not available or the screen rate is zero or negative during the relevant profit period; or

- (b) before the close of business of the next business day after the quotation day for the relevant profit period, the cost of obtaining matching deposits or investments by the Bank in the Kuala Lumpur Interbank Market is in excess of KLIBOR or such other interbank market in excess of its reference rate as may be prescribed by the Bank.



41. Market Flex : The granting of and/or the continued availability of the Facility is subject to there being no extraordinary circumstances, change of law, other governmental action or adverse changes in the national, financial or economic conditions in Malaysia (or any other applicable jurisdiction), including but not limited to adversities in domestic money, capital or syndicated financing markets having occurred which may affect the ability of the Bank to grant or continue to avail the Facility or which may increase the cost to the Bank to do so, the above is also subject to the Bank policy and compliance to Shariah requirement.

In the event any of the aforesaid circumstances arise at any time after the disbursement of the Facility, the Bank reserves the right to vary the effective profit rate, basis of funding, terms and/or structure of the Facility, provided that such variation shall not exceed the Bank's Sale Price. In the event the Customer is not agreeable to the variation to the effective profit rate and/or basis of funding the Customer may by giving prior written notice prepay the all sums due and owing in respect of the Facility.

42. Valuation : You hereby authorize the Bank to value the property or asset charged or assigned to the Bank as security for the facility(s) annually or at such interval as the Bank shall in its discretion decide by any valuer or any officer of the Bank or any person of the Bank's choice from either the Bank's panel valuer or such other valuer of your choice as the Bank may require (for non-panel valuer, subject to the approval of the Bank) at your sole cost and expense and in the event such valuation reveals that the forced sale value of the property is lower than that at the date hereof the Bank shall have the absolute discretion to require to you within fourteen (14) days from the date of the notice from the Bank to charge, pledge, mortgage or deposit with the Bank your stock's and share, assets movable property and/or the issue document of title, if any, or all immovable properties vested in you of such value as the Bank may from time to time require or the payment of the total amount owing for the time being under the facility(s).

In the event the final valuation differs from the preliminary estimate at the point of processing/approving the facility(s) inter alia due to fraud of the valuation report or any other reasons that will affect the value of the property, the Bank is entitled to terminate or cancel or reduce the amount of the facility(s) notwithstanding the security documentation have been completed.

43. Takaful/insurance : a) All assets/[properties charged/assigned to the Bank as security shall be adequately covered/insured by takaful/insurance against all risks including but not limited against loss or damage through fire, earthquake, lighting, riot, strike or, malicious damage for their full value or replacement costs whichever is higher or as the Bank may require and shall be taken from either the Bank's panel of takaful operators/insurance companies or such other takaful operators/insurance companies (subject to the approval of the Bank). In addition, to ensure the Bank to be stated as mortgagee/chargee in the takaful/insurance certificate and such takaful/insurance shall not be terminated without the Bank's prior written consent.

b) Fire Takaful/Insurance/Contractors All Risk/Fire Takaful/Insurance under Buildings In the Course of Construction (BICC) ("Takaful/Insurance") to be taken on the proffered property from the Bank's approved takaful/insurance company.

c) Fire Takaful/Insurance is to be taken on your company's fixed and floating assets where the bank has taken a debenture on your company's assets (where applicable).



d) In the event the property is already covered/insured under the Management Corporation's Fire Takaful/Insurance Certificate, you are to extend the said certificate/policy to the Bank, with the Bank to be stated as mortgagee/chargee with insertion of non-cancellation clause and the said takaful/insurance shall not be terminated without the Bank's prior written consent (where applicable).

- e) All takaful plans/insurance policies will be taken up at your own costs and expenses and the Bank reserves the right to pay the contribution/premium for any takaful plan/insurance policy on your behalf and to debit your account with notice accordingly.
- f) The Bank will from time to time review the adequacy of the takaful/insurance coverage in ensuring that the property is sufficiently insured. The excess contribution/premium, if any, shall be advised accordingly in the yearly renewal notice.

44. Utilisation of Facility : Any request for utilisation of any facility shall be in writing, given in accordance with the requirements as to form, timing and accompanying documents as may be specified by the Bank generally in accordance with the Bank's standard terms and conditions applicable to the relevant facility and subject to the Bank being satisfied (and in this respect the Bank's decision shall be conclusive) that there are no material changes affecting your financial condition after acceptance of the facility(s).

45. Governing Law : You agree that this Letter of Offer and all the documents executed or to be executed in connection herewith shall be governed by the Laws of Malaysia and you further agree to submit to the jurisdiction of the respective Courts of Malaysia.

46. Taxes : (i) Any goods and services tax or levies now or hereafter imposed by law or required to be paid in respect of any monies payable to or to be received by the Bank on any expenses incurred or to be incurred by the Bank (except where prohibited by law) shall be borne by you.

(ii) All other taxes, duties or government charges now or hereafter imposed or levied in connection with this Facility shall be borne by you.

(iii) You hereby agree that the Bank reserves the right to debit any of your banking account(s) for such taxes or levies payable by you. In the event, such debiting causes your banking account(s) to be overdrawn and not regularised within the specific period determined by the Bank, late payment charges shall be imposed on the excess thereto.

47. Foreign Account Tax Compliance Act ("FATCA") : You hereby consents that the Bank may:-

(a) report your information to the relevant regulatory authorities in accordance with the requirements of the FATCA as may be stipulated by laws, regulations, agreements or regulatory guidelines or directives;

(b) withhold from your account(s) such amounts in accordance with the requirements of FATCA as may be stipulated by applicable laws, regulations, agreement, or regulatory guidelines or directives; and

(c) classify you as a recalcitrant account holder or non-participating foreign financial institution ("NFFI") and/or suspend or terminate the account(s) granted to you, in the event that you fail to provide accurate and/or complete information and/or documentation as the Bank may require.

In addition to the above, you hereby undertake to provide the Bank with written notice within thirty (30) calendar days, should there be any change in information provided to the Bank.



48. Privity to Agreement : You hereby acknowledge, agree and confirm that regardless of anything contained in any agreement/contract including but not limited to a sale and purchase agreement for purchase of movable or immovable asset entered between you and the vendor or any third party where the Bank has no privity to the said agreement/contract and is under no obligation whatsoever to perform any term or condition of the said agreement/contract irrespective of whether or not the Bank has been notified of such term or condition, and the Bank shall not be liable in any manner whatsoever to you or any other party for the Bank's refusal or failure to perform such term or condition.

49. Strategic Trade Act 2010 (If applicable) : You hereby agree covenant and undertake that the facility(s) herein shall not be utilised for transactions involving goods, items and services identified and/or classified as strategic items for the purposes of the Strategic Trade Act 2010 including the importation, exportation, transshipment, brokering, marketing, distribution or all other transactions not specifically stated herein involving such strategic items and/or in any way act in contravention of the Strategic Trade Act 2010 and you further agree and covenant that the Bank may at its absolute discretion and without assigning any reasons thereto decline to disburse the facility(s), allow further drawdowns, make payments or process the payment of the facility(s) herein or accept and negotiate any trade facilities granted to you or requested to be negotiated by you if such transaction relate to the said strategic items and the Bank further reserves its absolute right to declare an event of default

and recall or cancel the facility(s) granted herein as a result of such transactions. You shall absolve the Bank from any liability arising from such transactions and shall further indemnify and keep the Bank indemnified on a full indemnity basis against any fines and/or penalties imposed on the Bank and against any penal sanctions imposed on the Bank or of the Bank as a result of any act or conduct or contravention by you of the Strategic Trade Act 2010 and/or causing the Bank to in any way contravene the Strategic Trade Act 2010.

50. Anti-Money Laundering and Anti-Terrorism Financing Act 2001 : During the tenure of the facility(s), you undertake that you shall not:-
- (i) Engage, directly or indirectly, in a transaction that involves proceeds of any unlawful activity;
  - (ii) Acquire, receive, possess, disguise, transfer, convert, exchange, carry, dispose, use, remove from or bring into Malaysia proceeds of any unlawful activity; or
  - (iii) Conceal, disguise or impede the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of any unlawful activity.

51. Disclosure of Customer Information and Personal Data under the Islamic Financial Services Act 2013 ("IFSA") and the Personal Data Protection Act 2010 ("PDPA") : A) If you are a company or incorporated entity, you hereby warrants and represents to the Bank that:-

- (i) You give your consent to the Bank to disclose information and/or documents supplied in connection or pertaining to the facility(s), your business and your banking account(s) with the Bank (including future accounts) to associate company or parent company of the Bank or Bank's subsidiaries or any company which are or in the future may be a related company to the Bank, agent, auditors, legal counsels, professional advisors or representatives, the Credit Bureau or any other banking or regulatory authorities, any co-debtor, joint account holder, guarantor, chargor or surety, security party, party making a claim under any third party payment instrument or trade document, any other person who has undertaken liability for the facility(s) with the Bank or pursuant to any law or legal process or in connection with any action, suit or proceeding relating to the facility(s), any other person(s) or company(ies) to whom disclosure is contractually required to be made by the Bank including but not limited to in connection with any fund raising in relation to the facility(ies), any bank or financial institution in relation to the provision of financing in connection with the Bank or the Bank's related companies' products or services or otherwise and any person to whom disclosure is permitted or required by law, regulation or any governmental agency.



- (ii) You also give your consent to the Bank to disclose any information pertaining to you and/or your account(s) to Etiqa Takaful Berhad/ Etiqa Insurance Berhad ("Etiqa") or other takaful operator or Insurance company (if required) in the event that any application for any takaful/insurance coverage is submitted by you to Etiqa or other takaful operator/insurance company and such information and/or verification on such information is required by Etiqa or other takaful operator/insurance company.

- (iii) You give your consent to the Bank to disclose such information about you as it may have in its possession to Credit Guarantee Corporation Malaysia Berhad ("CGC") and/or its agents as the Bank may deem necessary in its absolute discretion.

- (iv) You agree and acknowledge that the Bank may request you from time to time to provide the personal data and information of your, your guarantor's and/or any third party security providers' (including but not limited to) directors, shareholders, employees, representatives and/or any other individual ("the Individual") in the course of your contract and/or transactions with the Bank ("Personal Data").

Maybank Group Privacy Statement in our website [www.maybank2u.com.my](http://www.maybank2u.com.my) outlines how the Maybank Group collects, uses, maintains, stores, discloses, secures and retains the Personal Data. You are to refer to the Maybank Group Privacy Statement and prior to providing us with the Individual's Personal Data, you are to inform the Individual of the Maybank Group Privacy Statement. The Bank together with its related/associated companies are collectively referred to as "Maybank Group".

(vi) You hereby warrant that you have complied with the requirements of PDPA and have obtained the relevant consents from the Individual in relation to the processing and disclosure of their Personal Data.

B) If you are an individual or unincorporated entity, you hereby warrants and represents to the Bank that:-

Subject to your instruction restricting disclosure (if any) for the purposes of marketing activities, you consent to and authorize the Bank to collect, process, disclose, transfer your personal data to other entities within Maybank Group including its branches in Malaysia and in other countries as well as its local and overseas subsidiaries and other external parties, including but not limited to the parties/bodies listed below for the maintenance, storage and retention of your personal data, within or outside of Malaysia, in order to process your application for products and services and subsequently to continue performing the contractual agreements entered between you and any entity within Maybank Group.



(ii) You consent and authorize the Bank to collect, process, disclose, transfer, maintain, store and retain your personal data to other entities within the Maybank Group including its branches in Malaysia and in other countries as well as local and overseas subsidiaries and other external authorised agents.

(iii) You consent to the Bank conducting credit checks and verification of information given by you in your application for the financing facility or services with any credit bureaus or corporation set up for the purpose of collecting and providing credit or other information. You also consent to the Bank's disclosure of your financial condition, details of accounts, account relationship with the Bank including credit balances to:-

(a) government or regulatory authorities in Malaysia and elsewhere, including but not limited to Bank Negara Malaysia, Credit Bureau, Central Credit Reference Information System ("CCRIS"), Cagamas Berhad, Credit Guarantee Corporation Malaysia Berhad and Syarikat Jaminan Kredit Perumahan Berhad;

(b) companies which are related to the Bank by virtue of Section 7 of the Companies Act 2016, or any associated company of the Bank or of its parent company (the Bank together with its related/associated companies are collectively referred to as "Maybank Group");

(c) party(s) providing services (including outsourcing vendors, lawyers, nominees, custodians, centralised securities depository or registrar, debt collection agents) to the Bank;

(d) the Bank's agents, consultants and professional advisers;

(e) the Bank's or any of the Maybank Group's assignees;

(f) the police or any investigating officer conducting any investigation; and

(g) any person to whom disclosure is permitted or required by any law, regulation, governmental directive or request.

(iv) The Bank may, subject to compliance with the applicable regulatory rules or guidelines, use or apply any information relating to you collected, compiled, or obtained by the Bank through or by whatever means and methods for such purposes as determined by the Bank.

(v) Subject to your express consent, you hereby agree that the Bank's employees, representatives and/or agents to contact you from time to time through personal visits or oral communication effected via any means of communication including but not limited to telephone calls regarding any products or services promotion unless objected to in writing by you.

(vi) You also declare that all personal information and data set forth herein is/are all true, up to date and accurate and should there be any changes to any personal information or data set forth herein, you shall notify the Bank immediately.

You do hereby acknowledge that the Bank may request you from time to time to provide the personal data and information of your (vii) personal guarantor's and/or any third party security providers ("the Individual") in the course of your financing contract and/or transactions with the Bank ("Third Party Personal Data").

You hereby agree to draw the Individual's attention to the Maybank Group Privacy Statement which is posted in our website (viii) [www.maybank2u.com.my](http://www.maybank2u.com.my) and which outlines how the Maybank Group collects, uses, maintains, stores, discloses, secures and retains the Personal Data prior to providing the Bank with the Individual's Personal Data.

(ix) You hereby warrant that you have complied with the requirements of PDPA and have obtained the relevant consents from the Individual in relation to the processing and disclosure of their Personal Data.

**[End of Annexure 2]**

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**Megan Holdings Limited**  
**B-01-07, Gateway Corporate Suites**  
**Jalan Desa Kiara,**  
**50480 Mont Kiara,**  
**Kuala Lumpur, Malaysia**

**AGREEMENT**

**July 19, 2024**

**Re: Independent Director Offer Letter – Lai Yee Yee**

Dear **Ms. Lai Yee Yee**

**Megan Holdings Limited**, a Cayman Islands exempted company (the “Company” or “we”), is pleased to offer you a position as an Independent Director of the Company. We believe your background and experience will be a significant asset to the Company and we look forward to your participation as an Independent Director in the Company. Should you choose to accept this position as an Independent Director, this letter agreement (the “Agreement”) shall constitute an agreement between you and the Company and contains all the terms and conditions relating to the services you agree to provide to the Company. Your appointment shall begin upon Company’s listing on the Nasdaq Capital Market (the “Commencement Date”).

**1. Term.** This Agreement is effective upon the Commencement Date and shall continue for a period of one year from the Commencement Date subject to the provisions in Section 9 below or until your successor is duly elected and qualified.

**2. Services.** You shall render customary services as an Independent Director and such other duties as are reasonably contemplated by you holding office as an independent director of the Company or which may reasonably be assigned to you by the Board from time to time, including being member of the committee(s) of the Board (hereinafter, your “Duties”). During the term of this Agreement, you may attend and participate at each meeting regarding the business and operation issues of the Company as regularly or specially called, via teleconference, video conference or in person. You shall consult with the members of the Board and committee (if any) regularly and as necessary via telephone, electronic mail or other forms of correspondence.

**3. Services for Others.** You shall be free to represent or perform services for other persons during the term of this Agreement.

**4. Compensation.** As compensation for your services to the Company, you will receive a monthly compensation of USD\$1,000, payable on the 16<sup>th</sup> day of each month commencing one (1) month after the Commencement Date

**5. D&O Insurance Policy.** During the term under this Agreement, the Company shall include you as an insured under its officers and directors’ insurance policy, if available.

**6. No Assignment.** Because of the personal nature of the services to be rendered by you, this Agreement may not be assigned by you without the prior written consent of the Company.

**7. Confidential Information; Non-Disclosure.** In consideration of your access to certain Confidential Information (as defined below) of the Company, in connection with your business relationship with the Company, you hereby represent and agree as follows:

**a. Definition.** For purposes of this Agreement the term “Confidential Information” means: (i) any information which the Company possesses that has been created, discovered or developed by or for the Company, and which has or could have commercial value or utility in the business in which the Company is engaged; (ii) any information which is related to the business of the Company and is generally not known by non-Company personnel; and (iii) Confidential Information includes, without limitation, trade secrets and any information concerning products, processes, formulas, designs, inventions (whether or not patentable or registrable under copyright or similar laws, and whether or not reduced to practice), discoveries, concepts, ideas, improvements, techniques, methods, research, development and test results, specifications, data, know-how, software, formats, marketing plans, and analyses, business plans and analyses, strategies, forecasts, customer and supplier identities, characteristics and agreements.

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**b. Exclusions.** Notwithstanding the foregoing, the term Confidential Information shall not include: (i) any information which becomes generally available or is readily available to the public other than as a result of a breach of the confidentiality portions of this Agreement, or any other agreement requiring confidentiality between the Company and you; (ii) information received from a third party in rightful possession of such information who is not restricted from disclosing such information; (iii) information known by you prior to receipt of such information from the Company, which prior knowledge can be documented and (iv) information you are required to disclose pursuant to any applicable law, regulation, judicial or administrative order or decree, or request by other regulatory organization having authority pursuant to the law; provided, however, that you shall first have given prior written notice to the Company and made a reasonable effort to obtain a protective order requiring that the Confidential Information not be disclosed.

**c. Documents.** You agree that, without the express written consent of the Company, you will not remove from the Company's premises, any notes, formulas, programs, data, records, machines or any other documents or items which in any manner contain or constitute Confidential Information, nor will you make reproductions or copies of same. You shall promptly return any such documents or items, along with any reproductions or copies to the Company upon the Company's demand, upon termination of this Agreement, or upon your termination or Resignation (as defined in Section 9 herein).

**d. Confidentiality.** You agree that you will hold in trust and confidence all Confidential Information and will not disclose to others, directly or indirectly, any Confidential Information or anything relating to such information without the prior written consent of the Company, except as may be necessary in the course of your business relationship with the Company. You further agree that you will not use any Confidential Information without the prior written consent of the Company, except as may be necessary in the course of your business relationship with the Company, and that the provisions of this paragraph (d) shall survive termination of this Agreement. Notwithstanding the foregoing, you may disclose Confidential Information to your legal counsel and accounting advisors who have a need to know such information for accounting or tax purposes and who agree to be bound by the provisions of this paragraph (d).

**e. Ownership.** You agree that the Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designations, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by you during the term of this Agreement and that arise out of your Duties (collectively, "**Inventions**") and you will promptly disclose and provide all Inventions to the Company. You agree to assist the Company, at its expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights assigned.

**8. Non-Solicitation.** During the term of your appointment, you shall not solicit for employment any employee of the Company with whom you have had contact due to your appointment.

**9. Termination and Resignation.** Your services as an Independent Director may be terminated for any or no reason by the determination of the Board (including any failure to elect you for an ensuing term at any annual meeting of the Board). You may also terminate your services as an Independent Director for any or no reason by delivering your written notice of resignation to the Company ("Resignation"), and such Resignation shall be effective upon the time specified therein or, if no time is specified, upon receipt of the notice of resignation by the Company. Upon the effective date of the termination or Resignation, your right to compensation hereunder will terminate subject to the Company's obligations to pay you any compensation that you have already earned as of the effective date of such termination or Resignation.

**10. Governing Law; Arbitration.** All questions with respect to the construction and/or enforcement of this Agreement, and the rights and obligations of the parties hereunder, shall be determined in accordance with the law of the State of New York. All disputes with respect to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the American Arbitration Association at its New York office in force when the Notice of Arbitration is submitted. The law of this arbitration clause shall be New York law. The seat of arbitration shall be in New York. The number of arbitrators shall be one. The arbitration proceedings shall be conducted in English.



**11. Entire Agreement; Amendment; Waiver; Counterparts.** This Agreement expresses the entire understanding with respect to the subject matter hereof and supersedes and terminates any prior oral or written agreements with respect to the subject matter hereof. Any term of this Agreement may be amended and observance of any term of this Agreement may be waived only with the written consent of the parties hereto. Waiver of any term or condition of this Agreement by any party shall not be construed as a waiver of any subsequent breach or failure of the same term or condition or waiver of any other term or condition of this Agreement. The failure of any party at any time to require performance by any other party of any provision of this Agreement shall not affect the right of any such party to require future performance of such provision or any other provision of this Agreement. This Agreement may be executed in separate counterparts each of which will be an original and all of which taken together will constitute one and the same agreement, and may be executed using facsimiles of signatures, and a facsimile of a signature shall be deemed to be the same, and equally enforceable, as an original of such signature.

**12. Indemnification.** The Company shall, to the maximum extent provided under applicable law, indemnify and hold you harmless from and against any expenses, including reasonable attorney's fees, judgments, fines, settlements and other legally permissible amounts ("Losses"), incurred in connection with any proceeding arising out of, or related to, your performance of your Duties, other than any such Losses incurred as a result of your gross negligence or willful misconduct. The Company shall advance to you any expenses, including reasonable attorneys' fees and costs of settlement, incurred in defending any such proceeding to the maximum extent permitted by applicable law. Such costs and expenses incurred by you in defense of any such proceeding shall be paid by the Company in advance of the final disposition of such proceeding promptly upon receipt by the Company of (a) written request for payment; (b) appropriate documentation evidencing the incurrence, amount and nature of the costs and expenses for which payment is being sought; and (c) an undertaking adequate under applicable law made by or on your behalf to repay the amounts so advanced if it shall ultimately be determined pursuant to any non-appealable judgment or settlement that you are not entitled to be indemnified by the Company.

**13. Acknowledgement.** You accept this Agreement subject to all the terms and provisions of this Agreement. You agree to accept as binding, conclusive, and final all decisions or interpretations of the Board of Directors of the Company of any questions arising under this Agreement.

The Agreement has been executed and delivered by the undersigned and is made effective as of the date set first set forth above.

Sincerely,

**Megan Holdings Limited**

By: /s/ Hoo Wei Sern

Hoo Wei Sern

Chairman & Chief Executive Officer

**AGREED AND ACCEPTED:**

/s/ Lai Yee Yee

Name: Lai Yee Yee

## MEGAN HOLDINGS LIMITED

## Code of Ethics and Business Conduct

1. Introduction.

1.1 The Board of Directors (the “**Board**”) of MEGAN HOLDINGS LIMITED (the “**Company**”) has adopted this Code of Ethics and Business Conduct (the “**Code**”) in order to:

- (a) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- (b) promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the “**SEC**”) and in other public communications made by the Company;
- (c) promote compliance with applicable governmental laws, rules and regulations;
- (d) promote the protection of Company assets, including corporate opportunities and confidential information;
- (e) promote fair dealing practices;
- (f) deter wrongdoing; and
- (g) ensure accountability for adherence to the Code.

1.2 All directors, officers and employees are required to be familiar with the Code, comply with its provisions and report any suspected violations as described below in Section 10, Reporting and Enforcement.

2. Honest and Ethical Conduct.

2.1 The Company’s policy is to promote high standards of integrity by conducting its affairs honestly and ethically.

2.2 Each director, officer and employee must act with integrity and observe the highest ethical standards of business conduct in his or her dealings with the Company’s customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job.

3. Conflicts of Interest.

3.1 A conflict of interest occurs when an individual’s private interest (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise when an employee, officer or director (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company.

3.2 Loans by the Company to, or guarantees by the Company of obligations of, employees or their family members are of special concern and could constitute improper personal benefits to the recipients of such loans or guarantees, depending on the facts and circumstances. Loans by the Company to, or guarantees by the Company of obligations of, any director or executive officer or their family members are expressly prohibited.

3.3 Whether or not a conflict of interest exists or will exist can be unclear. Conflicts of interest should be avoided unless specifically authorized as described in Section 3.4.

3.4 Persons other than directors and executive officers who have questions about a potential conflict of interest or who become aware of an actual or potential conflict should discuss the matter with, and seek a determination and prior authorization or approval from, their supervisor or the Chief Financial Officer. A supervisor may not authorize or approve conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first providing the Chief Financial Officer with a written description of the activity and seeking the Chief Financial Officer's written approval. If the supervisor is himself involved in the potential or actual conflict, the matter should instead be discussed directly with the Chief Financial Officer.

Directors and executive officers must seek determinations and prior authorizations or approvals of potential conflicts of interest exclusively from the Audit Committee.

#### 4. Compliance.

4.1 Employees, officers and directors should comply, both in letter and spirit, with all applicable laws, rules and regulations in the cities, states and countries in which the Company operates.

4.2 Although not all employees, officers and directors are expected to know the details of all applicable laws, rules and regulations, it is important to know enough to determine when to seek advice from appropriate personnel. Questions about compliance should be addressed to the Legal Department.

4.3 No director, officer or employee may purchase or sell any Company securities while in possession of material nonpublic information regarding the Company, nor may any director, officer or employee purchase or sell another company's securities while in possession of material nonpublic information regarding that company. It is against Company policies and illegal for any director, officer or employee to use material nonpublic information regarding the Company or any other company to:

- (a) obtain profit for himself or herself; or
- (b) directly or indirectly "tip" others who might make an investment decision on the basis of that information.

#### 5. Disclosure.

5.1 The Company's periodic reports and other documents filed with the SEC, including all financial statements and other financial information, must comply with applicable federal securities laws and SEC rules.

5.2 Each director, officer and employee who contributes in any way to the preparation or verification of the Company's financial statements and other financial information must ensure that the Company's books, records and accounts are accurately maintained. Each director, officer and employee must cooperate fully with the Company's accounting and internal audit departments, as well as the Company's independent public accountants and counsel.

5.3 Each director, officer and employee who is involved in the Company's disclosure process must:

- (a) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and
- (b) take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

#### 6. Protection and Proper Use of Company Assets.

6.1 All directors, officers and employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability and are prohibited.

6.2 All Company assets should be used only for legitimate business purposes. Any suspected incident of fraud or theft should be reported for investigation immediately.

6.3 The obligation to protect Company assets includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business and marketing plans, engineering and manufacturing ideas, designs, databases, records and any nonpublic financial data or reports. Unauthorized use or distribution of this information is prohibited and could also be illegal and result in civil or criminal penalties.

7. Corporate Opportunities. All directors, officers and employees owe a duty to the Company to advance its interests when the opportunity arises. Directors, officers and employees are prohibited from taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Company assets, property, information or position. Directors, officers and employees may not use Company assets, property, information or position for personal gain (including gain of friends or family members). In addition, no director, officer or employee may compete with the Company.

8. Confidentiality. Directors, officers and employees should maintain the confidentiality of information entrusted to them by the Company or by its customers, suppliers or partners, except when disclosure is expressly authorized or is required or permitted by law. Confidential information includes all nonpublic information (regardless of its source) that might be of use to the Company's competitors or harmful to the Company or its customers, suppliers or partners if disclosed.

9. Fair Dealing. Each director, officer and employee must deal fairly with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job. No director, officer or employee may take unfair advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of facts or any other unfair dealing practice.

## 10. Reporting and Enforcement.

### 10.1 Reporting and Investigation of Violations.

(a) Actions prohibited by this Code involving directors or executive officers must be reported to the Audit Committee.

(b) Actions prohibited by this Code involving anyone other than a director or executive officer must be reported to the reporting person's supervisor or the Chief Financial Officer.

(c) After receiving a report of an alleged prohibited action, the Audit Committee, the relevant supervisor or the Chief Financial Officer must promptly take all appropriate actions necessary to investigate.

(d) All directors, officers and employees are expected to cooperate in any internal investigation of misconduct.

### 10.2 Enforcement.

(a) The Company must ensure prompt and consistent action against violations of this Code.

(b) If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of this Code has occurred, the Audit Committee will report such determination to the Board.

(c) If, after investigating a report of an alleged prohibited action by any other person, the relevant supervisor or the Chief Financial Officer determines that a violation of this Code has occurred, the supervisor or the Chief Financial Officer will report such determination to the Board.

(d) Upon receipt of a determination that there has been a violation of this Code, the Board will take such preventative or disciplinary action as it deems appropriate, including, but not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

### 10.3 Waivers.

- (a) The Board may, in its discretion, waive any violation of this Code.
- (b) Any waiver for a director or an executive officer shall be disclosed as required by SEC and Nasdaq rules.

### 10.4 Prohibition on Retaliation.

The Company does not tolerate acts of retaliation against any director, officer or employee who makes a good faith report of known or suspected acts of misconduct or other violations of this Code.

**MEGAN HOLDINGS LIMITED**  
**Insider Trading Policy**

This Insider Trading Policy describes the standards of Megan Holdings Limited and its subsidiaries (the “Company”) on trading, and causing the trading of, the Company’s securities or securities of certain other publicly traded companies while in possession of confidential information. This Policy is divided into two parts: the first part prohibits trading in certain circumstances and applies to all directors, officers and employees and their respective immediate family members of the Company and the second part imposes special additional trading restrictions and applies to all (i) directors of the Company, (ii) executive officers of the Company (together with the directors, “**Company Insiders**”) , and (iii) certain other employees that the Company may designate from time to time as “Covered Persons” because of their position, responsibilities or their actual or potential access to material information.

One of the principal purposes of the federal securities laws is to prohibit so-called “insider trading.” Simply stated, insider trading occurs when a person uses material nonpublic information obtained through involvement with the Company to make decisions to purchase, sell, give away or otherwise trade the Company’s securities or the securities of certain other companies or to provide that information to others outside the Company. The prohibitions against insider trading apply to trades, tips and recommendations by virtually any person, including all persons associated with the Company, if the information involved is “material” and “nonpublic.” These terms are defined in this Policy under Part I, Section 3 below. The prohibitions would apply to any director, officer or employee who buys or sells securities on the basis of material nonpublic information that he or she obtained about the Company, its customers, suppliers, partners, competitors or other companies with which the Company has contractual relationships or may be negotiating transactions.

**PART I**

**1. Applicability**

This Policy applies to all trading or other transactions in (i) the Company’s securities, including common stock, options and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company’s securities, whether or not issued by the Company and (ii) the securities of certain other companies, including common stock, options and other securities issued by those companies as well as derivative securities relating to any of those companies’ securities.

This Policy applies to all employees of the Company, all officers of the Company and all members of the Company’s board of directors, officers, employees, and their respective family members.

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**2. General Policy: No Trading or Causing Trading While in Possession of Material Nonpublic Information**

**(a)** No director, officer or employee or any of their immediate family members may purchase or sell, or offer to purchase or sell, any Company security, whether or not issued by the Company, while in possession of material nonpublic information about the Company. (The terms “material” and “nonpublic” are defined in Part I, Section 3(a) and (b) below.)

**(b)** No director, officer or employee or any of their immediate family members who knows of any material nonpublic information about the Company may communicate that information to (“**tip**”) any other person, including family members and friends, or otherwise disclose such information without the Company’s authorization.

**(c)** No director, officer or employee or any of their immediate family members may purchase or sell any security of any other publicly-traded company while in possession of material nonpublic information that was obtained in the course of his or her involvement with the Company. No director, officer or employee or any of their immediate family members who knows of any such material nonpublic information may communicate that information to, or tip, any other person, including family members and friends, or otherwise disclose such information without the Company’s authorization.

(d) For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and nonpublic unless you first consult with, and obtain the advance approval of, the Compliance Officer (which is defined in Part I, Section 3(c) below).

(e) Covered Persons must “pre-clear” all trading in securities of the Company in accordance with the procedures set forth in Part II, Section 3 below.

### **3. Definitions**

**(a) Material.** Insider trading restrictions come into play only if the information you possess is “material.” Materiality, however, involves a relatively low threshold. Information is generally regarded as “material” if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects is reasonably likely to be found material in particular situations:

- (i) significant changes in the Company’s prospects;
- (ii) significant write-downs in assets or increases in reserves;
- (iii) developments regarding significant litigation or government agency investigations;
- (iv) liquidity problems;
- (v) changes in earnings estimates or unusual gains or losses in major operations;
- (vi) major changes in the Company’s management or the board of directors;
- (vii) changes in dividends;
- (viii) extraordinary borrowings;
- (ix) major changes in accounting methods or policies;
- (x) award or loss of a significant contract;

(xi) cybersecurity risks and incidents, including vulnerabilities and breaches;

(xii) changes in debt ratings;

(xiii) proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets; and

(xiv) offerings of Company securities.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company’s operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. **If you are unsure whether information is material, you should either consult the Compliance Officer before making any decision to disclose such information (other than to persons**

**who need to know it) or to trade in or recommend securities to which that information relates or assume that the information is material.**

**(b) Nonpublic.** Insider trading prohibitions come into play only when you possess information that is material and “nonpublic.” The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be “public” the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. Even after public disclosure of information about the Company, you must wait until the close of business on the second trading day after the information was publicly disclosed before you can treat the information as public.

Nonpublic information may include:

- (i) information available to a select group of analysts or brokers or institutional investors;
- (ii) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and
- (iii) information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information, normally two trading days.

**As with questions of materiality, if you are not sure whether information is considered public, you should either consult with the Compliance Officer or assume that the information is nonpublic and treat it as confidential.**

**(c) Compliance Officer.** The Company has appointed the Chief Financial Officer as the Compliance Officer for this Policy. The duties of the Compliance Officer include, but are not limited to, the following:

- (i) assisting with implementation and enforcement of this Policy;
- (ii) circulating this Policy to all employees and ensuring that this Policy is amended as necessary to remain up-to-date with insider trading laws;

(iii) pre-clearing all trading in securities of the Company by Covered Persons in accordance with the procedures set forth in Part II, Section 3 below; and

(iv) providing approval of any Rule 10b5-1 plans under Part II, Section 1(c) below and any prohibited transactions under Part II, Section 4 below.

(v) providing a reporting system with an effective whistleblower protection mechanism.

#### **4. Exceptions**

The trading restrictions of this Policy do not apply to exercising stock options granted under the Company’s current or future equity incentive plans or option plans for cash or the delivery of previously owned Company stock. However, the sale of any shares issued on the exercise of Company-granted stock options and any cashless exercise of Company-granted stock options are subject to trading restrictions under this Policy.

#### **5. Violations of Insider Trading Laws**

Penalties for trading on or communicating material nonpublic information can be severe, both for individuals involved in such unlawful conduct and their employers and supervisors, and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory.

**(a) Legal Penalties.** A person who violates insider trading laws by engaging in transactions in a company’s securities when he or she has material nonpublic information can be sentenced to a substantial jail term and required to pay a criminal penalty of several times the amount of profits gained or losses avoided.



In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tippers can be subject to the same penalties and sanctions as the tippees, and the SEC has imposed large penalties even when the tipper did not profit from the transaction.

The SEC can also seek substantial civil penalties from any person who, at the time of an insider trading violation, “directly or indirectly controlled the person who committed such violation,” which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to the greater of \$1 million or three times the amount of the profits gained or losses avoided. Even for violations that result in a small or no profit, the SEC can seek penalties from a company and/or its management and supervisory personnel as control persons.

**(b) Company-Imposed Penalties.** Employees who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause. Any exceptions to the Policy, if permitted, may only be granted by the Compliance Officer and must be provided before any activity contrary to the above requirements takes place.

## **6. Inquiries**

If you have any questions regarding any of the provisions of this Policy, please contact the Compliance Officer at +65 [ ].

## **PART II**

### **1. Blackout Periods**

All Covered Persons are prohibited from trading in the Company’s securities during blackout periods as defined below.

**(a) Quarterly Blackout Periods.** Trading in the Company’s securities is prohibited during the period beginning at the close of the market on two weeks before the end of each fiscal quarter and ending at the close of business on the second trading day following the date the Company’s financial results are publicly disclosed. During these periods, Covered Persons generally possess or are presumed to possess material nonpublic information about the Company’s financial results.

**(b) Other Blackout Periods.** From time to time, other types of material nonpublic information regarding the Company (such as negotiation of mergers, acquisitions or dispositions, investigation and assessment of cybersecurity incidents or new product developments) may be pending and not be publicly disclosed. While such material nonpublic information is pending, the Company may impose special blackout periods during which Covered Persons are prohibited from trading in the Company’s securities. If the Company imposes a special blackout period, it will notify the Covered Persons affected.

**(c) Exception.** These trading restrictions do not apply to transactions under a pre-existing written plan, contract, instruction, or arrangement under Rule 10b5-1 under the Securities Exchange Act of 1934 (an “**Approved 10b5-1 Plan**”) that:

(i) has been reviewed and approved at least one month in advance of any trades thereunder by the Compliance Officer (or, if revised or amended, such revisions or amendments have been reviewed and approved by the Compliance Officer at least one month in advance of any subsequent trades);

(ii) was entered into in good faith by the Covered Person at a time when the Covered Person was not in possession of material nonpublic information about the Company; and

(iii) gives a third party the discretionary authority to execute such purchases and sales, outside the control of the Covered Person, so long as such third party does not possess any material nonpublic information about the Company; or explicitly specifies the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formula(s) describing such transactions.

### **2. Trading Window**

Covered Persons are permitted to trade in the Company's securities when no blackout period is in effect. Generally, this means that Covered Persons can trade during the period beginning on DAY THAT BLACKOUT PERIOD UNDER SECTION 1(A) ENDS and ending on DAY THAT NEXT BLACKOUT PERIOD UNDER SECTION 1(A) BEGINS. However, even during this trading window, a Covered Person who is in possession of any material nonpublic information should not trade in the Company's securities until the information has been made publicly available or is no longer material. In addition, the Company may close this trading window if a special blackout period under Part II, Section 1(b) above is imposed and will re-open the trading window once the special blackout period has ended.

### **3. Pre-Clearance of Securities Transactions**

(a) Because Company Insiders are likely to obtain material nonpublic information on a regular basis, the Company requires all such persons to refrain from trading, even during a trading window under Part II, Section 2 above, without first pre-clearing all transactions in the Company's securities.

(b) Subject to the exemption in subsection (d) below, no Company Insider may, directly or indirectly, purchase or sell (or otherwise make any transfer, gift, pledge or loan of) any Company security at any time without first obtaining prior approval from the Compliance Officer. These procedures also apply to transactions by such person's spouse, other persons living in such person's household and minor children and to transactions by entities over which such person exercises control.

(c) The Compliance Officer shall record the date each request is received and the date and time each request is approved or disapproved. Unless revoked, a grant of permission will normally remain valid until the close of trading two business days following the day on which it was granted. If the transaction does not occur during the two-day period, pre-clearance of the transaction must be re-requested.

(d) Pre-clearance is not required for purchases and sales of securities under an Approved 10b5-1 Plan. With respect to any purchase or sale under an Approved 10b5-1 Plan, the third party effecting transactions on behalf of the Company Insider should be instructed to send duplicate confirmations of all such transactions to the Compliance Officer.

### **4. Prohibited Transactions**

(a) Company Insiders are prohibited from trading in the Company's equity securities during a blackout period imposed under an "individual account" retirement or pension plan of the Company, during which at least 50% of the plan participants are unable to purchase, sell or otherwise acquire or transfer an interest in equity securities of the Company, due to a temporary suspension of trading by the Company or the plan fiduciary.

(b) Covered Persons, including any person's spouse, other persons living in such person's household and minor children and entities over which such person exercises control, are prohibited from engaging in the following transactions in the Company's securities unless advance approval is obtained from the Compliance Officer:

(i) Short-term trading. Company Insiders who purchase Company securities may not sell any Company securities of the same class for at least six months after the purchase;

(ii) Short sales. Company Insiders/Covered Persons may not sell the Company's securities short;

(iii) Options trading. Covered Persons may not buy or sell puts or calls or other derivative securities on the Company's securities;

(iv) Trading on margin or pledging. Covered Persons may not hold Company securities in a margin account or pledge Company securities as collateral for a loan; and

(v) Hedging. Covered Persons may not enter into hedging or monetization transactions or similar arrangements with respect to Company securities.

### **5. Acknowledgment and Certification**

All Covered Persons are required to sign the attached acknowledgment and certification.

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**ACKNOWLEDGMENT AND CERTIFICATION**

The undersigned does hereby acknowledge receipt of the Company's Insider Trading Policy. The undersigned has read and understands (or has had explained) such Policy and agrees to be governed by such Policy at all times in connection with the purchase and sale of securities and the confidentiality of nonpublic information.

/s/ Hoo Wei Sern

(Signature)

Hoo Wei Sern

(Please print name)

Date: November 13, 2023

7

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**Megan Holdings Limited**  
**Executive Compensation Recovery Policy**

This policy covers Megan Holdings Limited's Covered Officers and explains when Megan Holdings Limited will be required or authorized, as applicable, to seek recovery of Incentive Compensation awarded or paid to Covered Officers. Please refer to Exhibit A attached hereto (the "Definitions Exhibit") for the definitions of capitalized terms used throughout this Policy.

**Miscalculation of Financial Performance Measure Results.** In the event of a Restatement, Megan Holdings Limited will seek to recover, reasonably promptly, all Recoverable Incentive Compensation from a Covered Officer during the Applicable Period. Such recovery, in the case of a Restatement, will be made without regard to any individual knowledge or responsibility related to the Restatement or the Recoverable Incentive Compensation. Notwithstanding the foregoing, if Megan Holdings Limited is required to undertake a Restatement, Megan Holdings Limited will not be required to recover the Recoverable Incentive Compensation if the Compensation Committee determines it Impracticable to do so, after exercising a normal due process review of all the relevant facts and circumstances.

- 1.

Megan Holdings Limited will seek to recover all Recoverable Incentive Compensation that was awarded or paid in accordance with the definition of "Recoverable Incentive Compensation" set forth on the Definitions Exhibit. If such Recoverable Incentive Compensation was not awarded or paid on a formulaic basis, Megan Holdings Limited will seek to recover the amount that the Compensation Committee determines in good faith should be recouped.

**Legal and Compliance Violations.** Compliance with the law and Megan Holdings Limited's Standards of Business Conduct and other corporate policies is a pre-condition to earning Incentive Compensation. If Megan Holdings Limited in its sole discretion concludes that a Covered Officer (1) committed a significant legal or compliance violation in connection with the Covered Officer's employment, including a violation of Megan Holdings Limited's corporate policies or Megan Holdings Limited's Standards of Business Conduct (each, "Misconduct"), or (2) was aware of or willfully blind to Misconduct that occurred in an area over which the Covered Officer had supervisory authority, Megan Holdings Limited may, at the direction of the Compensation Committee, seek recovery of all or a portion of the Recoverable Incentive Compensation awarded or paid to the Covered Officer for the Applicable Period in which the violation occurred. In addition, Megan Holdings Limited may, at the direction of the Compensation Committee, conclude that any unpaid or unvested Incentive Compensation has not been earned and must be forfeited.

- 2.

In the event of Misconduct, Megan Holdings Limited may seek recovery of Recoverable Incentive Compensation even if the Misconduct did not result in an award or payment greater than would have been awarded or paid absent the Misconduct.

In the event of Misconduct, in determining whether to seek recovery and the amount, if any, by which the payment or award should be reduced, the Compensation Committee may consider—among other things—the seriousness of the Misconduct, whether the Covered Officer was unjustly enriched, whether seeking the recovery would prejudice Megan Holdings Limited's interests in any way, including in a proceeding or investigation, and any other factors it deems relevant to the determination.

**Other Actions.** The Compensation Committee may, subject to applicable law, seek recovery in the manner it chooses, including by seeking reimbursement from the Covered Officer of all or part of the compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested stock.

- 3.

In the reasonable exercise of its business judgment under this Policy, the Compensation Committee may in its sole discretion determine whether and to what extent additional action is appropriate to address the circumstances surrounding a Restatement or Misconduct to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate.

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4. **No Indemnification or Reimbursement.** Notwithstanding the terms of any other policy, program, agreement or arrangement, in no event will Megan Holdings Limited or any of its affiliates indemnify or reimburse a Covered Officer for any loss under this

Policy and in no event will Megan Holdings Limited or any of its affiliates pay premiums on any insurance policy that would cover a Covered Officer's potential obligations with respect to Recoverable Incentive Compensation under this Policy.

**Administration of Policy.** The Compensation Committee will have full authority to administer this Policy. Actions of the Compensation Committee pursuant to this Policy will be taken by the vote of a majority of its members. The Compensation Committee will, subject to the provisions of this Policy and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Megan Holdings Limited's applicable exchange listing standards, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate or advisable. All determinations and interpretations made by the Compensation Committee will be final, binding and conclusive.

- 5.

**Other Claims and Rights.** The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims Megan Holdings Limited or any of its affiliates may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies, or other authorities. Further, the exercise by the Compensation Committee of any rights pursuant to this Policy will not impact any other rights that Megan Holdings Limited or any of its affiliates may have with respect to any Covered Officer subject to this Policy.

- 6.

**Condition to Eligibility for Incentive Compensation.** All Incentive Compensation subject to this Policy will not be earned, even if already paid, until the Policy ceases to apply to such Incentive Compensation and any other vesting conditions applicable to such Incentive Compensation are satisfied.

- 7.

8. **Amendment; Termination.** The Board or the Compensation Committee may amend or terminate this Policy at any time.

**Effectiveness.** Except as otherwise determined in writing by the Compensation Committee, this Policy will apply to any Incentive Compensation that (a) in the case of any Restatement, is Received by Covered Officers prior to, on or following the Effective Date, and (b) in the case of Misconduct, is awarded or paid to a Covered Officer on or after the Effective Date. This Policy will survive and continue notwithstanding any termination of a Covered Officer's employment with Megan Holdings Limited and its affiliates.

- 9.

10. **Successors.** This Policy shall be binding and enforceable against all Covered Officers and their successors, beneficiaries, heirs, executors, administrators, or other legal representatives.

11. **Governing Law.** To the extent not preempted by U.S. federal law, this Policy will be governed by and construed in accordance with the laws of the State of New York, without reference to principles of conflict of laws.

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## **EXHIBIT A**

### **DEFINITIONS**

"Applicable Period" means (a) in the case of any Restatement, the three completed fiscal years of Megan Holdings Limited immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of Megan Holdings Limited authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that a Restatement is required or (ii) the date a regulator, court or other legally authorized entity directs Megan Holdings Limited to undertake a Restatement, and (b) in the case of any Misconduct, such period as the Compensation Committee or Board determines to be appropriate in light of the scope and nature of the Misconduct. The "Applicable Period" also includes any transition period (that results from a change in Megan Holdings Limited's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence.

"Board" means the Board of Directors of Megan Holdings Limited.

"Compensation Committee" means Megan Holdings Limited's committee of independent directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the Board.

"Covered Officer" means (a) in the case of any Restatement, any person who is, or was at any time, during the Applicable Period, an Executive Officer of Megan Holdings Limited, and (b) in the case of any Misconduct, any person who was an Executive Officer at the

time of the Misconduct. For the avoidance of doubt, a Covered Officer may include a former Executive Officer that left Megan Holdings Limited, retired, or transitioned to an employee role (including after serving as an Executive Officer in an interim capacity) during the Applicable Period.

“Effective Date” means [--] or December 1, 2023, whichever is earlier.

“Executive Officer” means Megan Holdings Limited’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an officer of Megan Holdings Limited’s parent(s) or subsidiaries) who performs similar policy-making functions for Megan Holdings Limited.

“Financial Performance Measure” means a measure that is determined and presented in accordance with the accounting principles used in preparing Megan Holdings Limited’s financial statements (including “non-GAAP” financial measures, such as those appearing in Megan Holdings Limited’s earnings releases or Management Discussion and Analysis), and any measure that is derived wholly or in part from such measure. Stock price and total shareholder return (and any measures derived wholly or in part therefrom) shall be considered Financial Performance Measures.

“Impracticable.” The Compensation Committee may determine in good faith that recovery of Recoverable Incentive Compensation is “Impracticable” (a) in the case of any Restatement, if: (i) pursuing such recovery would violate home country law of the jurisdiction of incorporation of the Company where that law was adopted prior to October 2, 2023 and Megan Holdings Limited provides an opinion of counsel to that effect acceptable to Megan Holdings Limited’s listing exchange; (ii) the direct expense paid to a third party to assist in enforcing this Policy would exceed the Recoverable Incentive Compensation and Megan Holdings Limited has (A) made a reasonable attempt to recover such amounts and (B) provided documentation of such attempts to recover to Megan Holdings Limited’s applicable listing exchange; or (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of Megan Holdings Limited, to fail to meet the requirements of the Internal Revenue Code of 1986, as amended, and (b) in the case of any Misconduct, in its sole discretion, in light of the scope and nature of the Misconduct.

“Incentive Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Performance Measure. Incentive Compensation does not include any base salaries (except with respect to any salary increases earned wholly or in part based on the attainment of a Financial Performance Measure performance goal); bonuses paid solely at the discretion of the Compensation Committee or Board that are not paid from a “bonus pool” that is determined by satisfying a Financial Performance Measure performance goal; bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period; non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; and equity awards that vest solely based on the passage of time and/or attaining one or more non-Financial Performance Measures. Notwithstanding the foregoing, in the case of any Misconduct, Incentive Compensation will include all forms of cash and equity incentive compensation, including, without limitation, cash bonuses and equity awards that are received or vest solely based on the passage of time and/or attaining one or more non-Financial Performance Measures.

“Received.” Incentive Compensation is deemed “Received” in Megan Holdings Limited’s fiscal period during which the Financial Performance Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

“Recoverable Incentive Compensation” means (a) in the case of any Restatement, the amount of any Incentive Compensation (calculated on a pre-tax basis) Received by a Covered Officer during the Applicable Period that is in excess of the amount that otherwise would have been Received if the calculation were based on the Restatement, and (b) in the case of any Misconduct, the amount of any Incentive Compensation (calculated on a pre-tax basis) awarded or paid to a Covered Officer during the Applicable Period that the Compensation Committee determines, in its sole discretion, to be appropriate in light of the scope and nature of the Misconduct. For the avoidance of doubt, in the case of any Restatement, Recoverable Incentive Compensation does not include any Incentive Compensation Received by a person (i) before such person began service as a Covered Officer and (ii) who did not serve as a Covered Officer at any time during the performance period for that Incentive Compensation. For the avoidance of doubt, in the case of any Restatement, Recoverable Incentive Compensation may include Incentive Compensation Received by a person while serving as an employee if such person previously served as a Covered Officer and then transitioned to an employee role. For Incentive Compensation based on (or derived from) stock price or total shareholder return where the amount of Recoverable Incentive Compensation is not subject to mathematical recalculation

directly from the information in the applicable Restatement, the amount will be determined by the Compensation Committee based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was Received (in which case, Megan Holdings Limited will maintain documentation of such determination of that reasonable estimate and provide such documentation to Megan Holdings Limited's applicable listing exchange).

"Restatement" means an accounting restatement of any of Megan Holdings Limited's financial statements filed with the Securities and Exchange Commission under the Exchange Act, or the Securities Act of 1933, as amended, due to Megan Holdings Limited's material noncompliance with any financial reporting requirement under U.S. securities laws, regardless of whether Megan Holdings Limited or Covered Officer misconduct was the cause for such restatement. "Restatement" includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as "Big R" restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as "little r" restatements).

## SUBSIDIARIES OF MEGAN HOLDINGS LIMITED

<b>Subsidiaries</b>	<b>Place of Incorporation</b>	<b>Incorporation Time</b>	<b>Percentage Ownership</b>
MMSB	Malaysia	February 13, 2020	100%





**WWC, P.C.** CERTIFIED PUBLIC ACCOUNTANTS

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Consent of Independent Registered Public Accounting Firm

We hereby consent to the inclusion of our report dated May 23, 2024, except for Notes 1, 12 and 18, for which the date are August 8, 2024, in the Registration Statement on Form F-1, under the Securities Act of 1933 with respect to the consolidated balance sheets of Megan Holdings Limited and its subsidiaries (collectively the “Company”) as of December 31, 2021, 2022 and 2023, and the related consolidated statements of comprehensive income, changes in shareholders’ equity, and cash flows in each the years in the three-year period ended December 31, 2023, and the related notes included herein.

We also consent to the reference to our firm under the heading “Experts” in the above mentioned Registration Statement.

San Mateo, California  
August 8, 2024

WWC, P.C.

WWC, P.C.  
Certified Public Accountants  
PCAOB ID: 1171

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2010 PIONEER COURT, SAN MATEO, CA 94403 TEL.: (650) 698-0808 FAX.: (650) 698-0878  
E-MAIL: INFO@WWCCPA.COM WEBSITE: WWW.WWCCPA.COM

5 August 2024

**Megan Holdings Limited**

B-01-07, Gateway Corporate Suites,  
Jalan Desa Kiara,  
50480 Mont Kiara,  
Kuala Lumpur,  
Malaysia.

**Re: Consent of Protégé Associates Sdn Bhd**

Ladies and Gentlemen,

We understand that Megan Holdings Limited (the “**Company**”) intends to file a draft registration statement (the “**Registration Statement**”) with the United States Securities and Exchange Commission (the “**SEC**”) in connection with its proposed initial public offering (the “**Proposed IPO**”).

We hereby consent to the references to our name and the inclusion of information, data, and statements from our research reports and amendments thereto, including but not limited to the industry research report titled “Independent Market Research Report on the Agriculture Industry in Malaysia” (the “**Report**”), and any subsequent amendments to the Report, as well as the citation of our research report and amendments thereto, (i) in the Registration Statement and any amendments thereto, (ii) in any written correspondences with the SEC, (iii) in any other future filings with the SEC by the Company, including, without limitation, filings on Form 20-F, Form 6-K or other SEC filings (collectively, the “**SEC Filings**”), (iv) on the websites of the Company and its subsidiaries and affiliates, (v) in institutional and retail road shows and other activities in connection with the Proposed IPO, and in other publicity materials in connection with the Proposed IPO.

We further hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto and as an exhibit to any other SEC Filings. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the rules and regulations of the SEC thereunder.

Yours faithfully

For and on behalf of

**Protégé Associates Sdn Bhd**

*/s/ Seow Cheow Seng*

---

Name: **Seow Cheow Seng**

Title: **Managing Director**

*Partners*

*DARREN LOO HEE GUAN  
SELMA ENOLIL MUSTAPHA*

*Legal Assistants  
JAMES TAN JIIN JOU  
ALVIN LIM HWA YEE  
LUQMAN HARITH HAZIMI*



*Date* : 8 August 2024  
*Our ref* : DL/SEM/2209-842  
*Your ref* :

**MEGAN HOLDINGS LIMITED**  
B-01-07 Gateway Corporate Suites  
Gateway Kiaramas  
No.1, Jalan Desa Kiara  
50480 Mont Kiara  
Kuala Lumpur, Malaysia

**Attention: Mr Darren Hoo**

Dear Sirs

**LEGAL OPINION ON MALAYSIAN LAW**

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We refer to the above matter and the proposed offering and listing of 1,250,000 ordinary shares, par value US\$0.0001 per share of Megan Holdings Limited (“**IPO Shares**”) on the NASDAQ Capital Market (“**NASDAQ**”).

**1. Background**

1.1 Our firm, Enolil Loo is registered with the Malaysian Bar in accordance with Section 85(1) of the Malaysian Legal Profession Act, 1976. All our partners and lawyers are admitted to the High Court in Malaya and are qualified Malaysian law practitioners. We have been requested to issue this legal opinion (“**Opinion**”) in our capacity as the Malaysian legal counsel to Megan Holdings Limited, a company incorporated under the laws of Cayman Islands (“**Company**”), in connection with the proposed initial public offering of the IPO Shares (“**Offering**”) and the proposed listing of the same on NASDAQ (“**Listing**”).

1.2 This Opinion is given to the Company solely for its benefit in respect to: (a) the Offering, as further described in the Company’s registration statement on Form F-1, including all amendments and/or supplements thereto (“**Registration Statement**”), filed by the Company with the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended, in relation to the Offering; and (b) the Listing.

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**Areas of Practice**

*Capital Markets • Mergers & Acquisitions • Corporate & Commercial • Banking & Finance • Real Estate & Trust*

**Contact:**

*M-2-9 Plaza Damas 60 Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Malaysia  
telephone +603 6203 2381 fax +603 6203 2359 email excel@enolil-loo.com*

## 2. Scope of Legal Opinion

- 2.1 This Opinion is only about the laws of general application in Malaysia as at the date hereof and is given on the basis that the Opinion will be governed by and construed in accordance with the laws and regulations of Malaysia.
- 2.2 We have made no investigation of, and do not express or imply any views on, the laws of any country other than Malaysia or on matters which are not related to the legal matters in Malaysia.
- 2.3 Without prejudice to the foregoing:
- (a) We express no opinion on the following:
    - (i) Any taxation laws of any jurisdiction;
    - (ii) The effect of any systems of law (other than Malaysian law) even in cases where, under Malaysian Law, any foreign law should be applied, and we therefore assume that any applicable law (other than Malaysian law) would not affect or qualify the opinion as set out below; and
    - (iii) On matters of fact and/or commercial matters;
  - (b) This opinion speaks as of the date hereof, no obligation is assumed to update this Opinion or to inform any person of any changes of law or other related matters (including matters of fact) coming to our knowledge and occurring after the date hereof, which may, affect this Opinion in any way.

## 3. Opinion

Based on the foregoing and subject to the qualifications herein, we are of the opinion that:

All statements found in the Registration Statement under the headings 'Enforceability of Civil Liabilities' and 'Regulations,' insofar as such statements describe, pertain or summarize Malaysian laws or proceedings, are true and accurate in all material respects, and fairly present and summarize in all material respects the said Malaysian laws or proceedings without any material omissions that could render them misleading. The disclosures featuring our viewpoints in the Registration Statement under the 'Risk Factors', 'Enforceability of Civil Liabilities', 'Business' and 'Regulations' sections, to the extent that they pertain to Malaysian laws are indeed expressions of our professional opinions.

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telephone +603 6203 2381 fax +603 6203 2359 email excel@enolil-loo.com website www.enolil-loo.com*

## 4. Qualifications

Our Opinion is subject to the following qualifications:

- (a) We have relied on the truth, accuracy and completeness of factual statements or representations provided to us by the director, officer, or representative of Megan Mezanin Sdn Bhd and Megan Technologies Sdn Bhd (collectively,

“**Malaysian Subsidiaries**”) as well as the Company, including their consultants, advisers and service providers. These statements may have been conveyed orally or in writing and pertain to matters concerning both the Company and the Malaysian Subsidiaries; and

- (b) This Opinion is strictly limited to the matters expressly stated herein and does not extend by implication to any other matters.

## 5. Purposes

This Opinion is specifically intended for the Company’s exclusive benefit and is applicable solely in the context of the Offering. It is crucial to understand that this Opinion:

- (a) should not be relied upon, or utilised by any other individual and/or entity for any purpose beyond what is outlined in paragraph 6 below; and
- (b) this Opinion must not be disclosed to any person, except the Company’s affiliates and/or legal advisors. It should not be quoted or referenced in any public document, submitted to any government, regulatory agency, stock exchange, or any other individual without our explicit prior written consent, except as outlined in paragraph 7 below.

## 6. Liability

- 6.1 For the avoidance of doubt, this Opinion is not to be relied upon by anyone apart from the Company. We do not assume any responsibility and/or liability towards any other individual and/or entity, even if the Company has shared a copy of our Opinion with another person, as long as it was done without our prior written consent.

- 6.2 Nevertheless, subject to the constraints imposed by applicable laws and regulations, the Company is permitted to rely on this Opinion under the condition that our total aggregate liability concerning the matters discussed in this Opinion is restricted to the total net fees we received in connection with the Listing.

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telephone +603 6203 2381 fax +603 6203 2359 email excel@enolil-loo.com website www.enolil-loo.com*

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Page 4 of 4

## 7. Consent

We hereby consent to the utilisation of this Opinion in the Registration Statement, and we also authorise its filing as an exhibit therein. In addition, we consent to the inclusion of references to our name within the said Registration of Statement.

Yours faithfully

*/s/ Selma Enolil Mustapha*

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**Selma Enolil Mustapha**

Partner, ENOLIL LOO

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telephone +603 6203 2381 fax +603 6203 2359 email excel@enolil-loo.com website www.enolil-loo.com*



## CHARTER OF THE AUDIT COMMITTEE OF MEGAN HOLDINGS LIMITED

### **Membership**

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of MEGAN HOLDINGS LIMITED (the “**Company**”) shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934 and the rules of the Nasdaq Stock Market. No member of the Committee can have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

The members of the Committee shall be appointed by the Board based on recommendations from the nominating and corporate governance committee of the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

### **Purpose**

The purpose of the Committee is to oversee the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements.

The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on: management for the preparation and accuracy of the Company’s financial statements; for establishing effective internal controls and procedures to ensure the Company’s compliance with accounting standards, financial reporting procedures and applicable laws and regulations; and the Company’s independent auditors for an unbiased, diligent audit or review, as applicable, of the Company’s financial statements and the effectiveness of the Company’s internal controls. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

### **Duties and Responsibilities**

The Committee shall have the following authority and responsibilities:

To (1) select and retain an independent registered public accounting firm to act as the Company’s independent auditors for the purpose of auditing the Company’s annual financial statements, books, records, accounts and internal controls over financial reporting, (2) set the compensation of the Company’s independent auditors, (3) oversee the work done by the Company’s independent auditors and (4) terminate the Company’s independent auditors, if necessary.

To select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

To approve all audit engagement fees and terms; and to pre-approve all audit and permitted non-audit and tax services that may be provided by the Company’s independent auditors or other registered public accounting firms, and establish policies and procedures for the Committee’s pre-approval of permitted services by the Company’s independent auditors or other registered public accounting firms on an on-going basis.

At least annually, to obtain and review a report by the Company's independent auditors that describes (1) the accounting firm's internal quality control procedures, (2) any issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues, and (3) all relationships between the firm and the Company or any of its subsidiaries; and to discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors.

At least annually, to evaluate the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner at the Company's independent auditors and consider regular rotation of the accounting firm serving as the Company's independent auditors.

To review and discuss with the Company's independent auditors (1) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy, (3) the scope and timing of the annual audit, (4) any significant risks identified during the auditors' risk assessment procedures and (5) when completed, the results, including significant findings, of the annual audit.

To review and discuss with the Company's independent auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.

To review and discuss with the Company's independent auditors and management (1) any audit problems or difficulties, including difficulties encountered by the Company's independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (2) any significant disagreements with management and (3) management's response to these problems, difficulties or disagreements; and to resolve any disagreements between the Company's auditors and management.

To review with management and the Company's independent auditors: any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods; and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

To keep the Company's independent auditors informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the company; and to review and discuss with the Company's independent auditors the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

To review with management and the Company's independent auditors the adequacy and effectiveness of the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's processes, controls and procedure] and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such processes, controls and procedures, and review and discuss with management and the Company's independent auditors disclosure relating to the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures, the independent auditors' report on the effectiveness of the Company's internal control over financial reporting and the required management certifications to be included in or attached as exhibits to the Company's annual report on Form 20-F, as applicable.

To review and discuss with the Company's independent auditors any other matters required to be discussed by applicable requirements of the PCAOB and the SEC.



To review and discuss with the Company's independent auditors and management the Company's annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements and the disclosure under "Operating and Financial Review and Prospects" to be included in the Company's annual report on Form 20-F before the Form 20-F is filed.

To recommend to the Board that the audited financial statements be included in the Company's Form 20-F and whether the Form 20-F should be filed with the SEC; and to produce the audit committee report required to be included in the Company's proxy statement.

To establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

To monitor compliance with the Company's Code of Business Conduct and Ethics (the "Code"), to investigate any alleged breach or violation of the Code, and to enforce the provisions of the Code.

To review, with the General Counsel and outside legal counsel, legal and regulatory matters, including legal cases against or regulatory investigations of the Company and its subsidiaries, that could have a significant impact on the Company's financial statements.

To review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis, in accordance with Company policies and procedures, and to develop policies and procedures for the Committee's approval of related party transactions.

### **Outside Advisors**

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

### **Structure and Operations**

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least two times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report after each committee meeting to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee shall meet separately, and periodically, with management, and representatives of the Company's independent auditors, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. However, the Committee shall meet regularly without such individuals present.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

### **Delegation of Authority**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

### **Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

## CHARTER OF THE NOMINATING COMMITTEE OF MEGAN HOLDINGS LIMITED

### Membership

The Nominating Committee (the “**Committee**”) of the board of directors (the “**Board**”) of MEGAN HOLDINGS LIMITED, (the “**Company**”) shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the rules of the Nasdaq Stock Market.

The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

### Purpose

The purpose of the Committee is to carry out the responsibilities delegated by the Board relating to the Company’s director nominations process and procedures, developing and maintaining the Company’s corporate governance policies and any related matters required by the federal securities laws.

### Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

To identify and screen individuals qualified to become members of the Board, consistent with criteria approved by the Board. The Committee shall consider any director candidates recommended by the Company’s shareholders pursuant to the procedures set forth in the Company’s described in the Company’s proxy statement.

To make recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to a shareholder vote at the annual meeting of shareholders.

To oversee the Company’s corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Company’s corporate governance framework, including its certificate of incorporation and by-laws.

To review the Board’s committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chairmen annually.

If a vacancy on the Board and/or any Board committee occurs, to identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy either by election by shareholders or appointment by the Board.

To develop and recommend to the Board for approval standards for determining whether a director has a relationship with the Company that would impair its independence.

To review and discuss with management disclosure of the Company’s corporate governance practices, including information regarding the operations of the Committee and other Board committees, director independence and the director nominations process, and to recommend that this disclosure be, included in the Company’s proxy statement or annual report on Form 20-F, as applicable.

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To develop and recommend to the Board for approval a Company Code of Business Conduct and Ethics (the “**Code**”), to monitor compliance with the Company’s Code, to investigate any alleged breach or violation of the Code, to enforce the provisions of the Code and to review the Code periodically and recommend any changes to the Board.

## **Outside Advisors**

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a director search firm as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation and oversee the work of the director search firm. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel, an executive search firm and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of its outside counsel, the executive search firm and any other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its search consultants, outside counsel and any other advisors.

## **Structure and Operations**

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least two times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

## **Delegation of Authority**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

## **Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

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## CHARTER OF THE COMPENSATION COMMITTEE OF MEGAN HOLDINGS LIMITED

### Membership

The Compensation Committee (the “**Committee**”) of the board of directors (the “**Board**”) of **Megan Holdings Limited** (the “**Company**”) shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the rules of the Nasdaq Stock Market.

Each member of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

The members of the Committee shall be appointed by the Board based on recommendations from the nominating and corporate governance committee of the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

### Purpose

The purpose of the Committee is to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation.

### Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

To review and approve annually the corporate goals and objectives applicable to the compensation of the chief executive officer (“**CEO**”), evaluate at least annually the CEO’s performance in light of those goals and objectives, and recommend to the Board for approval the CEO’s compensation level based on this evaluation. The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation.

To review and make recommendations to the Board regarding the compensation of all other executive officers.

To review, and make recommendations to the Board regarding, incentive compensation plans and equity-based plans, and where appropriate or required, recommend for approval by the shareholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Committee shall also have the authority to administer the Company’s incentive compensation plans and equity-based plans, including designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan.

To review, and make recommendations to the Board regarding, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.

To review all director compensation and benefits for service on the Board and Board committees at least once a year and to recommend any changes to the Board as necessary.

To oversee, in conjunction with the Board, engagement with shareholders and proxy advisory firms on executive compensation matters.

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### Outside Advisors

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

In retaining or seeking advice from compensation consultants, outside counsel and other advisors (other than the Company's in-house counsel), the Committee must take into consideration the factors specified in Nasdaq Listing Rule 5605(d)(1)(D). The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Any compensation consultant retained by the Committee to assist with its responsibilities relating to executive compensation or director compensation shall not be retained by the Company for any compensation or other human resource matters.

### **Structure and Operations**

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least two times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

### **Delegation of Authority**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

### **Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

CONSENT OF LONG JIA KWANG

Megan Holdings Limited (the “Company”) intends to file a Registration Statement on Form F-1 (together with any amendments or supplements thereto, the “Registration Statement”) registering securities for issuance in its initial public offering. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

Dated: August 5, 2024

*/s/ Long Jia Kwang*

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Long Jia Kwang

**CONSENT OF TSE YIN SUM**

Megan Holdings Limited (the “Company”) intends to file a Registration Statement on Form F-1 (together with any amendments or supplements thereto, the “Registration Statement”) registering securities for issuance in its initial public offering. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

Dated: August 5, 2024

*/s/ Tse Yin Sum*

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Tse Yin Sum



CONSENT OF LAI YEE YEE

Megan Holdings Limited (the “Company”) intends to file a Registration Statement on Form F-1 (together with any amendments or supplements thereto, the “Registration Statement”) registering securities for issuance in its initial public offering. As required by Rule 438 under the Securities Act of 1933, as amended, the undersigned hereby consents to being named in the Registration Statement as a Director Nominee.

Dated: July 19, 2024

*/s/ Lai Yee Yee*

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Lai Yee Yee

**Calculation of Filing Fee Tables**

F-1  
(Form Type)

**Megan Holdings Limited**

(Exact Name of Registrant as Specified in its Charter)

(Translation of Registrant's Name into English)

Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial effective date	Filing Fee Previously Paid In Connection with Unsold Securities to be Carried Forward
<b>Newly Registered Securities</b>												
Fees to Be Paid	Equity	Ordinary Shares Stock, par value \$0.0001	457(o)	1,250,000	6	\$8,625,000	\$0.0001476	\$ 1273.05				
Fees Previously Paid												
<b>Carry Forward Securities</b>												
Carry Forward Securities												
	<b>Total Offering Amounts</b>					\$8,625,000						
	<b>Total Fees Previously Paid</b>					\$ 0						
	<b>Total Fee Offsets</b>					\$ 0						
	<b>Net Fee Due</b>					\$ 1,273.05						

- (1) The registration fee for securities is based on an estimate of the Proposed Maximum Aggregate Offering Price of the securities, assuming the sale of the ordinary shares at the highest expected offering price, and such estimate is solely for the purpose of calculating the registration fee pursuant to Rule 457(o). In accordance with Rule 416(a), the Registrant is also registering an indeterminate number of additional shares of ordinary shares that shall be issuable pursuant to Rule 416 to prevent dilution resulting from share splits, share dividends or similar transactions.