



MYMBN BERHAD

(Registration no.: 202201011844 (1457541-U))
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

MYMBN BERHAD

(Registration no.: 202201011844 (1457541-U))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 ⁽¹⁾

	<i>Note</i>	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 ⁽²⁾ RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 ⁽²⁾ RM'000
Revenue	A9	8,647	N/A	49,390	N/A
Cost of sales		(8,445)	N/A	(43,474)	N/A
Gross profit		202	N/A	5,916	N/A
Other income		65	N/A	88	N/A
Administrative expenses		(1,692)	N/A	(3,227)	N/A
Selling and distribution expenses		(76)	N/A	(155)	N/A
(Loss)/Profit from operations		(1,501)	N/A	2,622	N/A
Finance costs		(67)	N/A	(177)	N/A
(Loss)/Profit before tax ("LBT") ("PBT")	B4	(1,568)	N/A	2,445	N/A
Taxation	B5	-	N/A	(961)	N/A
(Loss)/Profit after tax		(1,568)	N/A	1,484	N/A
Other comprehensive income		15	N/A	15	N/A
Total comprehensive (expense)/income for the financial period		(1,553)	N/A	1,499	N/A
Profit/(Loss) attributable to:					
- Equity holders of the Company		(1,558)	N/A	1,494	N/A
- Non-controlling interest		(10)	N/A	(10)	N/A

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	<i>Note</i>	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 ⁽²⁾ RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 ⁽²⁾ RM'000
Total comprehensive (expense)/income for the financial period attributable to:					
- Equity holders of the Company		(1,546)	N/A	1,506	N/A
- Non-controlling interest		<u>(7)</u>	<u>N/A</u>	<u>(7)</u>	<u>N/A</u>
(Loss)/Earnings per share (sen) ⁽³⁾	<i>B7</i>				
- Basic		(0.40)	N/A	0.39	N/A
- Diluted		<u>(0.40)</u>	<u>N/A</u>	<u>0.39</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company in relation to its initial public offering ("IPO") dated 30 June 2023 ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report being announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative quarter concerned.
- (3) Basic and diluted (loss)/earnings per share is calculated based on the issued ordinary shares in the Company ("**Shares**") of 386,000,000 Shares after the Public Issue (as defined in Note B7).

N/A - Not Applicable

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023⁽¹⁾

	<i>Note</i>	Unaudited 30.9.2023 RM'000	Audited 31.12.2022 RM'000
ASSETS			
Non-current assets			
Goodwill		537	-
Property, plant and equipment		2,001	1,636
Right-of-use assets		6,983	2,715
Deposit placed for life insurance policy		80	80
Total non-current assets		<u>9,601</u>	<u>4,431</u>
Current assets			
Inventories		10,509	4,310
Trade and other receivables		3,748	2,984
Current tax assets		12	-
Fixed deposits with licensed banks		500	500
Cash and bank balances		18,156	8,999
Total current assets		<u>32,925</u>	<u>16,793</u>
TOTAL ASSETS		<u>42,526</u>	<u>21,224</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		30,320	10,800
Merger deficit		(10,300)	(10,300)
Foreign currency translation differences		12	-
Non-controlling interest		104	-
Retained earnings		16,103	14,609
TOTAL EQUITY		<u>36,239</u>	<u>15,109</u>
Non-current liabilities			
Long-term borrowings	<i>B6</i>	2,913	1,915
Deferred tax liabilities		173	173
Total non-current liabilities		<u>3,086</u>	<u>2,088</u>
Current liabilities			
Trade and other payables		1,046	1,303
Short-term borrowings	<i>B6</i>	2,155	2,490
Current tax liabilities		-	234
Total current liabilities		<u>3,201</u>	<u>4,027</u>
TOTAL LIABILITIES		<u>6,287</u>	<u>6,115</u>
TOTAL EQUITY AND LIABILITIES		<u>42,526</u>	<u>21,224</u>
NET ASSETS PER SHARE (sen)⁽²⁾		9.39	5.25

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is computed based on the number of Shares of 288,000,000 Shares before the Public Issue for financial year ended 31.12.2022 and 386,000,000 Shares after the Public Issue for financial period ended 30.09.2023, respectively.

MYMBN BERHAD

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	Attributable to owners of the parent				Non-controlling interest	Total equity
	Non-distributable		Distributable			
	Share capital	Foreign currency translation	Merger deficit	Retained earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023	10,800	-	(10,300)	14,609	-	15,109
Profit/(loss) after taxation	-	-	-	1,494	(10)	1,484
Other comprehensive income:						
- Currency translation differences	-	12	-	-	3	15
Total comprehensive income/(loss)	-	12	-	1,494	(7)	1,499
Transactions with owners:						
- Issuance of ordinary shares net of expenses	19,520	-	-	-	-	19,520
- Acquisition of subsidiary	-	-	-	-	111	111
	19,520	-	-	-	111	19,631
	30,320	12	(10,300)	16,103	104	36,239

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

MYMBN BERHAD

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	Unaudited Quarter Ended	
	30.9.2023	30.9.2022 ⁽²⁾
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	2,445	N/A
Adjustments for:		
Depreciation of property, plant and equipment	241	N/A
Depreciation of right-of-use assets	35	N/A
Interest expense	164	N/A
Interest income	(88)	N/A
Operating profit before working capital changes	2,797	N/A
Increase in inventories	(6,199)	N/A
Increase in trade and other receivables	(764)	N/A
Decrease in trade and other payables	(257)	N/A
Cash From operations	(4,423)	N/A
Income tax paid	(1,198)	N/A
Interest paid	(164)	N/A
Net cash used in operating activities	(5,785)	N/A
Cash flows from investing activities		
Purchase of property, plant and equipment	(579)	N/A
Purchase of right-of-use assets	(3,151)	N/A
Net outflow on acquisition of subsidiary	(420)	N/A
Interest received	88	N/A
Net cash used in investing activities	(4,062)	N/A
Cash flows from financing activities		
Repayment of term loans	(48)	N/A
Repayment of bankers' acceptance	(436)	N/A
Proceeds from issuance of ordinary shares net of expenses	19,520	N/A
Repayment of hire purchase	(32)	N/A
Net cash generated from financing activities	19,004	N/A
Net increase in cash and cash equivalents	9,157	N/A
Cash and cash equivalents at beginning of the financial period	9,499	N/A
Cash and cash equivalents at end of the financial period	18,656	N/A
Cash and cash equivalents at end of the financial period consist of:		
Cash and bank balance	18,156	N/A
Fixed deposit with licensed bank	500	N/A
	18,656	N/A

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not Applicable

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 - INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of MYMBN Berhad (“**MYMBN**” or the “**Company**”) and its subsidiaries (the “**Group**”) is unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard (“**MFRS**”) 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities.

This is the second interim financial report for the third quarter ended 30 September 2023 announced by the Group in compliance with the Listing Requirements of Bursa Securities. As such, there are no comparative figures for the preceding corresponding quarter.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements for the financial year ending 31 December 2023:

Title	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

MFRSs that have been issued but only effective for financial period beginning on 1 January 2024 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any significant impact to the financial statements:

Title	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

A3. Auditors' Report on Preceding Annual Financial Statements

The audited consolidated financial statements of the Group for the financial year ended 31 December 2022 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group are subject to seasonality factors which affect the demand and supply of bird's nests. These include weather conditions which affect the quality of bird's nests as well as the higher demand during the festive and holiday periods.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review and financial period under review.

A6. Material Changes in Estimates and Judgements

There were no material changes in accounting estimates and judgements that have a material effect on the current financial quarter under review and financial period under review.

A7. Debts and Equity Securities

Save as disclosed in Note B10 below, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity during the current financial quarter under review.

A8. Dividend Paid

There were no dividends paid during the current financial quarter under review.

A9. Segmental Information

The segmental analysis of Group's revenue is set out as follows:

(a) Revenue segmented by business activities, products and services

No segmental analysis by business activities, products and services is prepared as the Group operates predominantly in one industry.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

(b) By geographical locations

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 ⁽¹⁾ RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 ⁽¹⁾ RM'000
Malaysia	63	N/A	123	N/A
People's Republic of China ("PRC")	7,719	N/A	44,490	N/A
Vietnam	865	N/A	4,777	N/A
	<u>8,647</u>	<u>N/A</u>	<u>49,390</u>	<u>N/A</u>

Note:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

A10. Material Capital Commitments

There are no material capital commitments as at the date of this unaudited interim financial report, except as below:

A11. Contingent Assets and Liabilities

There were no material contingent assets and liabilities as at the end of the unaudited interim financial period.

A12. Changes in Composition of the Group

The acquisition of 80% equity interest in Guangxi Nan Yang Birdnest (M) Co., Ltd has been completed on 28 July 2023 in accordance with the terms and conditions of the Equity Transfer Agreement and Guangxi Nan Yang Birdnest (M) Co., Ltd has become an 80% owned subsidiary of MYMBN.

A13. Significant Events Occurring After the Financial Period

There were no significant events subsequent to the end of the current financial period.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance for current quarter ended 30 September 2023 (“Q3FY2023”) and immediate preceding quarter ended 30 June 2023 (“Q2FY2023”)

	Q3FY2023	Q2FY2023	Variance	
	RM'000	RM'000	RM'000	%
Revenue	8,647	23,123	(14,476)	(62.60)
Gross profit	202	3,158	(2,956)	(93.60)
Gross profit margin (%)	2.34	13.66	N/A	N/A
(LBT)/ PBT	(1,568)	2,340	(3,908)	(167.01)

The Group recorded revenue of RM8.65 million for Q3FY2023 and RM23.12 million for Q2FY2023, respectively. This represents a decrease of revenue by 62.60% in Q3FY2023 as compared to Q2FY2023, which was due to lower demand of raw unclean edible bird's nest (“**RUCEBN**”) from the PRC.

The Group's gross profit has decreased by RM2.96 million or 93.60% as a result of lower average selling prices of **RUCEBN** mainly due to lower sales in Guan and Tian series which typically commands higher gross profit margin.

The Group registered LBT of RM1.57 million for Q3FY2023 as compared PBT of RM2.34 million which is mainly due to the one-off listing expenses of approximately RM0.7 million for Q3FY2023 coupled with decrease in revenue.

B2. Commentary on Prospects

Our Group has completed the acquisition of 80% equity interest in Guangxi Nan Yang Birdnest (M) Co., Ltd on 28 July 2023 which will assist our Group to venture into the processing and sale of raw clean edible bird's nest (“**RCEBN**”). The venture into the processing and sale of **RCEBN** is a natural extension of our existing product offering of **RUCEBN** and will provide a new revenue stream for our Group. As of the date of this report, our Group is expected to commence the manufacturing and sales of **RCEBN** by first half of 2024.

Our Group is cautiously optimistic on the Group's financial performance in the remaining period for the financial year 2023 as our Group expects higher demand during the upcoming festive and holiday periods.

B3. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

B4. Profit before Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 ⁽¹⁾ RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 RM'000
Profit before taxation is arrived at after charging:				
Auditors' remuneration				
- current year	18	N/A	54	N/A
Depreciation of property, plant and equipment	83	N/A	241	N/A
Depreciation of right-of-use assets	12	N/A	35	N/A
Finance cost				
- bankers' acceptance interest	29	N/A	88	N/A
- finance lease interest	4	N/A	8	N/A
- term loan interest	23	N/A	68	N/A
Listing expenses	704	N/A	913	N/A
and crediting:				
Interest income	65	N/A	88	N/A
Realised foreign exchange (loss)/gain	(37)	N/A	95	N/A

This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

B5. Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 RM'000	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 RM'000
Current tax expense:				
- Current financial period	-	N/A	961	N/A
Effective tax rate	-	N/A	39.3%	N/A
Statutory tax rate	24.0%	N/A	24.0%	N/A

The effective tax rate higher than the statutory tax rate was due to the non-tax deductible listing expenses amounting to RM0.7 million and RM0.9 million incurred in current quarter under review and financial period-to-date, respectively.

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

B6. Borrowings

	Unaudited 30.9.2023 RM'000	Audited 31.12.2022 RM'000
Current		
Finance lease	78	-
Bankers' acceptance	1,986	2,422
Term loan	91	68
	<u>2,155</u>	<u>2,490</u>
Non-current		
Finance lease	315	-
Term loan	2,598	1,915
	<u>2,913</u>	<u>1,915</u>
Total borrowings	<u>5,068</u>	<u>4,405</u>

B7. Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.9.2023	Unaudited 30.9.2022	Unaudited 30.9.2023	Unaudited 30.9.2022
(Loss)/Profit attributable to owners of the Company (RM'000)	(1,558)	N/A	1,494	N/A
Number of ordinary shares in issue ('000)	386,000	N/A	386,000	N/A
Basic/Diluted (LPS)/EPS (sen)	(0.40)	N/A	0.39	N/A

B8. Material Litigation

The Group was not engaged in any material litigation as at the date of this unaudited interim financial report.

B9. Dividend Proposed or Declared

No dividend has been proposed or declared by the Board of Directors of the Company during the current financial quarter under review and financial period under review.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

B10. Status of Corporate Proposals and Use of Proceeds

Save as disclosed below, there were no corporate proposals announced but pending completion as at the date of this unaudited interim financial report.

On 30 June 2023, the Company issued the Prospectus for the IPO in conjunction with its listing and quotation on the ACE Market of Bursa Securities (“**Listing**”) comprising a public issue of 98,000,000 new Shares at an issue price of RM0.21 per Share (“**Public Issue**”) allocated in the following manner:

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

The utilisation of proceeds as disclosed above shall be read in conjunction with the Prospectus. As at the date of this interim financial report, the IPO is pending completion, and therefore, the proceeds have yet to be raised and utilised.

The status of the utilisation of proceeds as below:

Purpose	Proposed	Actual	Balance	Intended Timeframe for Utilisation
	Utilisation	Utilisation	Utilisation	
	RM'000	RM'000	RM'000	
Business expansion				
• Purchase of the New Facility to expand processing capacity	2,804	2,758	46	Within 24 months
• Renovation and fit out works of the New Facility	3,200	-	3,200	Within 24 months
• Setting up of three (3) bird's nests collection centres in East Malaysia	1,680	3	1,677	Within 24 months
• Expansion into the processing and sale of RCEBN	1,250	245	1,005	Within 24 months
Purchase of raw bird's nests for RUCEBN	6,600	6,600	-	Within 6 months
Working capital	2,046	1,236	810	Within 12 months
Estimated expenses Listing	3,000	3,000	-	Within 3 months
Total	<u>20,580</u>	<u>13,842</u>	<u>6,738</u>	

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

**BY ORDER OF THE BOARD
MYMBN BERHAD
17th November 2023**