

INTERIM FINANCIAL REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024 $^{(1)}$

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
		Unaudited 30.6.2024	Unaudited 30.6.2023 ⁽²⁾	Unaudited 30.6.2024	Unaudited 30.6.2023 ⁽²⁾	
	Note	RM'000	RM'000	RM'000	RM'000	
Revenue	A9	19,937	23,123	42,710	40,743	
Cost of sales	-	(18,344)	(19,965)	(39,312)	(35,029)	
Gross profit		1,593	3,158	3,398	5,714	
Other income		139	14	258	23	
Administrative expenses		(1,192)	(724)	(2,414)	(1,535)	
Selling and distribution expenses	_	(61)	(46)	(137)	(79)	
Profit from operations		479	2,402	1,105	4,123	
Finance costs	-	(58)	(62)	(135)	(110)	
Profit before tax (" PBT ")	B4	421	2,340	970	4,013	
Taxation	B5	(178)	(598)	(417)	(1,057)	
Profit after tax	=	243	1,742	553	2,956	
Other comprehensive (loss)/income		(28)	-	21	-	
Total comprehensive income for the financial period	-	215	1,742	574	2,956	
Profit/(Loss) attributable to: - Equity holders of the Company - Non-controlling interest		261 (18)	1,742	590 (37)	2,956	

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONTINUED)⁽¹⁾

		INDIVIDU/	INDIVIDUAL QUARTER		<u>E QUARTER</u>
		Unaudited 30.6.2024	Unaudited 30.6.2023 ⁽²⁾	Unaudited 30.6.2024	Unaudited 30.6.2023 ⁽²⁾
	Note	RM'000	RM'000	RM'000	RM'000
Total comprehensive income/(expenses for the financial period attributable to: - Equity holders of the Company - Non-controlling interest		239 (24)	1,742	607 (33)	2,956
Earnings per share (sen) ⁽³⁾	B7				
- Basic		0.07	0.60	0.15	1.03
- Diluted	-	0.07	0.60	0.15	1.03

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 audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fifth interim financial report being announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (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 (as defined in Note B7).

N/A - Not Applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 $^{\scriptscriptstyle(1)}$

	Note	Unaudited 30.6.2024 RM'000	Audited 31.12.2023 RM'000
ASSETS			
Non-current assets			
Intangible asset		539	539
Property, plant and equipment		3,128	2,617
Right-of-use assets		6,557	6,580
Deposit placed for life insurance policy		80	80
Total non-current assets		10,304	9,816
Current assets			
Inventories		12,456	7,792
Trade and other receivables		3,223	4,256
Current tax assets		1,066	614
Fixed deposits with licensed banks		4,615	1,509
Cash and bank balances		12,284	21,425
Total current assets		33,644	35,596
TOTAL ASSETS		43,948	45,412
EQUITY AND LIABILITIES Equity Share capital Merger deficit Retained earnings Translation differences Equity attributable to owners of the Company Non-controlling interest TOTAL EQUITY		30,320 (10,300) 16,174 <u>17</u> 36,211 211 36,422	30,320 (10,300) 15,584 <u>14</u> 35,618 <u>247</u> 35,865
Non-current liabilities			
Long-term borrowings	B6	2,917	2,873
Deferred tax liabilities		144	144
Total non-current liabilities		3,061	3,017
Current liabilities Trade and other payables Short-term borrowings Total current liabilities TOTAL LIABILITIES TOTAL EQUITY AND LIABILITIES	<i>B</i> 6	1,946 2,519 4,465 7,526 43,948	2,770 3,760 6,530 9,547 45,412
NET ASSETS PER SHARE (sen) ⁽²⁾		9.44	9.29

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 audited consolidated financial statements for the financial year ended 31 December 2023 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 386,000,000 Shares.

	Attributable to owners of the parent					
	• N	on-distributable		Distributable		
	Share capital	Foreign currency translation	Merger deficit	Retained earnings	Non- controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	30,320	14	(10,300)	15,584	247	35,865
Profit/(loss) after taxation	-	-		590	(37)	553
Other comprehensive income: - Currency translation differences	-	3	-	-	1	4
Total comprehensive income/(loss)	-	3	-	590	(36)	557
Transactions with owners: - Issuance of ordinary shares net of expenses	-	-	-	-	_	-
- Acquisition of subsidiary	-	-	-	-	-	-
 Issuance of shares by subsidiary to non-controlling interests 	-	-	-	-	-	-
	-	-	-	-	-	-
Balance as at 30 June 2024	30,320	17	(10,300)	16,174	211	36,422

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾

Note:

(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 audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2024 $^{(1)}$

	Unaudited 30.6.2024 RM'000	Unaudited 30.6.2023 ⁽²⁾ RM'000
Cash flows for operating activities	070	4.040
Profit before taxation Adjustments for:	970	4,013
Depreciation of property, plant and equipment	203	143
Depreciation of right-of-use assets	203	38
Interest expense	129	110
Interest income	(245)	(23)
Operating profit before working capital changes	1,080	4,281
(Increase) in inventories	(4,664)	(1,242)
Decrease/ (increase) in trade and other receivables	1,033	(1,152)
(Decrease)/increase in trade and other payables	(824)	195
Cash for operations	(3,375)	2,082
Income tax paid	(869)	(757)
Interest paid	(129)	(110)
Net cash (used in)/from operating activities	(4,373)	1,215
Cash flows for investing activities		
Purchase of property, plant and equipment	(528)	(39)
Purchase of right-of-use assets	-	(460)
Increased in fixed deposit with licensed bank	(3,106)	-
Interest received	245	23
Net cash used in investing activities	(3,389)	(476)
Cash flows from financing activities		
(Repayment)/drawdown of hire purchase	(53)	412
Repayment of bankers' acceptance	(1,286)	(838)
Repayment of term loans	(43)	(34)
Net cash used in financing activities	(1,382)	(460)
Net increase in cash and cash equivalents	(9,144)	279
Effect of foreign exchange rate changes	3	-
Cash and cash equivalents at beginning of the financial period	21,425	8,999
Cash and cash equivalents at end of the financial period	12,284	9,278
Cash and cash equivalents at end of the financial period consist of:		
Cash and bank balance	12,284	9,278
Fixed deposit with licensed bank	4,615	500
	16,899	9,778
Less: Fixed deposit pledged to licensed bank	(1,615)	(500)
· · -	15,284	9,278

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fifth interim financial report being announced in compliance with the Listing Requirements of Bursa Securities.
- N/A Not Applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 Listing Requirements of Bursa Securities.

This is the fifth interim financial report for the second quarter ended 30 June 2024 announced by the Group in compliance with the Listing Requirements of Bursa Securities.

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 2024:

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

MFRSs that have been issued but only effective for financial period beginning on 1 January 2025 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 121: Lack of Exchangeability	1 January 2025

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 - INTERIM FINANCIAL REPORTING (CONT'D)

A3. Auditors' Report on Preceding Annual Financial Statements

The audited consolidated financial statements of the Group for the financial year ended 31 December 2023 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.

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.

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.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 - INTERIM FINANCIAL REPORTING (CONT'D)

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.

(b) By geographical locations

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

	INDIVIDUA Unaudited 30.6.2024 RM'000	30.6.2024 30.6.2023 ⁽¹⁾		E QUARTER Unaudited 30.6.2023 ⁽¹⁾ RM'000
Malaysia People's Republic of	6,156	8	13,953	60
China (" PRC ") Vietnam	12,512 1,269	19,203 3,912	24,621 4,136	36,771 3,912
	19,937	23,123	42,710	40,743

Note:

(1) This is the fifth interim financial report announced in compliance with the Listing Requirements of Bursa Securities.

A10. Material Capital Commitments

There are no material capital commitments as at the date of this unaudited interim financial report.

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

There was no material change in the composition of the Group for the current financial quarter under review.

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 SECOND QUARTER ENDED 30 JUNE 2024

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

B1. Review of Performance for current quarter ended 30 June 2024 ("Q2FY2024") and immediate preceding quarter ended 31 March 2023 ("Q1FY2024")

	Q2FY2024	Q1FY2024	Variance	
	RM'000	RM'000	RM'000	%
Revenue	19,937	22,773	(2,836)	(12.45)
Gross profit	1,593	1,805	(212)	(11.75)
Gross profit margin (%)	7.99	7.93	N/Á	N/Á
PBT	421	549	(128)	(23.32)

The Group recorded revenue of RM19.94 million for Q2FY2024 and RM22.77 million for Q1FY2024, respectively. This represents a decrease of revenue by 12.45% in Q2FY2024 as compared to Q1FY2024, which was mainly due to decrease of demand for the raw unclean edible bird's nest ("**RUCEBN**") from the local market in Malaysia and export to Vietnam.

The Group's gross profit has decreased by RM0.21 million or 11.75% and the decreased was in line with the decrease in revenue.

The Group recorded a PBT of RM0.42 million in Q2FY2024 compared to PBT of RM0.55 million in Q1FY2024, this decreased in PBT was in line with the decrease in revenue.

B2. Commentary on Prospects

The Group has completed the acquisition of 80% equity interest in Guangxi Nan Yang Birdnest (M) Co., Ltd on 28 July 2023 which will assist the 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 the Group. The Group has commenced the trading of RCEBN in first half of 2024 and is expected to commence the manufacturing of RCEBN by second half of 2024.

With several uncertainties arising from trade disputes, geopolitical tensions, policy changes, and other macroeconomic challenges, the global economy continues to be difficult. Nevertheless, the Group continues to be committed to growing its present business activities and seeking out new opportunities at the same time. The Group is monitoring closely on the interest rate, foreign exchange, and the changing of the global economic scene in order to minimise any negative effects on the Group's performance.

In spite of the challenges above, the Group aims to prioritise in strategic growth initiative for profit sustainability, as well as venture into Halal ready-to-drink products with an in-house brand. The Group is exploring the possibility of engaging with a local contract manufacturer and is expected to commence manufacturing by second half of 2025.

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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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B4. (Loss)/Profit before Taxation

	INDIVIDUAL Unaudited 30.6.2024 RM'000	QUARTER Unaudited 30.6.2023 ⁽¹⁾ RM ² 000	CUMULATIV Unaudited 30.6.2024 RM'000	E QUARTER Unaudited ⁽¹⁾ 30.6.2023 RM'000
(Loss)/Profit before taxation is arrived at after charging: Auditors' remuneration				
- audit fees Depreciation of property, plant and	25	17	50	36
equipment	112	72	203	143
Depreciation of right-of-use assets	11	23	23	38
Finance cost				
 bankers' acceptance interest 	17	33	56	59
 finance lease interest 	6	3	11	3
- term loan interest	31	23	62	44
and crediting:				
Interest income Realised foreign exchange	126	14	245	23
gain/(loss)	(50)	25	(27)	132

This is the fifth interim financial report announced in compliance with the Listing Requirements of Bursa Securities.

B5. Income tax expense

	INDIVIDUAL Unaudited 30.6.2024 RM'000	QUARTER Unaudited 30.6.2023 ⁽¹⁾ RM'000	CUMULATIVE Unaudited 30.6.2024 RM'000	E QUARTER Unaudited 30.6.2023 ⁽¹⁾ RM'000
Current tax expense: - Malaysia tax charge	178	598	417	1,057
Effective tax rate	42.28%	25.6%	42.99%	26.34%
Statutory tax rate	24.00%	24.00%	24.00%	24.00%

The effective tax rate of the Group was higher for the Q2FY2024 than the statutory tax rate mainly due to losses at the holding company, MYMBN, and its subsidiary, Guangxi Nan Yang Birdnest (M) Co. Ltd, which resulted in lower profit before tax of the Group that indirectly increased the effective tax rate, in addition to certain non-deductible expenses for tax purposes.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B6. Borrowings

	Unaudited 30.6.2024 RM'000	Audited 31.12.2023 RM'000
Current		
Finance lease	125	80
Bankers' acceptance	2,303	3,589
Term loan	91	91
	2,519	3,760
Non-current		
Finance lease	380	293
Term loan	2,537	2,580
	2,917	2,873
Total borrowings	5,436	6,633

B7. (Loss)/Earnings per share

	INDIVIDUAL Unaudited 30.6.2024	QUARTER Unaudited 30.6.2023 ⁽¹⁾	CUMULATIVE Unaudited 30.6.2024	E QUARTER Unaudited 30.6.2023 ⁽¹⁾
Profit attributable to owners of the Company (RM'000)	261	1,742	590	2,956
Number of ordinary shares in issue ('000)	386,000	288,000	386,000	288,000
Basic/Diluted EPS (sen)	0.07	0.60	0.15	1.03

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.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

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.

The status of the utilisation of proceeds as below:

Purpose	Proposed Utilisation	Actual Utilisation	Re- allocation	Balance Utilisation	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	RM'000	otinsation
 Business expansion Purchase of the New Facility to expand processing capacity 	2,804	(2,772)	(32) ⁽¹⁾		Within 24 months
 Renovation and fit out works of the New Facility 	3,200	(128)	-	3,072	Within 24 months
 Setting up of three (3) bird's nests collection centres in East Malaysia 	1,680	(18)	-	1,662	Within 24 months
 Expansion into the processing and sale of RCEBN 	1,250	(337)	-	913	Within 24 months
Purchase of raw bird's nests for RUCEBN	6,600	(6,600)	-	-	Within 6 months
Working capital	2,046	(2,078)	32(1)	-	Within 12 months
Estimated Listing expenses	3,000	(3,000)	-	-	Within 3 months
Total	20,580	(14,933)	-	5,647	

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Note:

(1) Surplus of RM0.03 million (of the purchase of the New Facility to expand processing capacity) was reallocated to the working capital requirements of the Group, in accordance with the Company's Prospectus dated 30 June 2023.

BY ORDER OF THE BOARD MYMBN BERHAD 27th August 2024