



## **ENEST GROUP BERHAD**

(Company No. 1275638-T)  
(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS  
FOR THE 12-MONTHS FINANCIAL YEAR ENDED 31 DECEMBER 2023**

### **CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)**

**THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY ENEST GROUP BERHAD (“ENEST” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.**



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

Audited Financial Statements	:	Consolidated financial statements for the FYE 2022 as audited by Grant Thornton Malaysia
Board	:	The Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
DVS	:	Department of Veterinary Services Malaysia
Enest or Company	:	Enest Group Berhad (1275638-T)
Enest Group or Group	:	Collectively, Enest and its Subsidiaries
FPE	:	Financial period ended/ending 30 June
FYE	:	Financial year ended/ending 31 December
HACCP	:	Hazard Analysis and Critical Control Points, an internationally recognised structured operating method that helps organisations in the food and beverage industry to identify their food safety risks, prevent food safety hazards and address legal compliance
IMR Report	:	Independent Market Research Report dated 27 March 2019 prepared by Providence Strategic Partners Sdn. Bhd.
Information Memorandum	:	Information Memorandum dated 28 March 2019 in relation to the Proposed Excluded Issue
Share(s)	:	Ordinary share(s) in our Company

All references to “our Company” or “Enest” in this document are to Enest Group Berhad. All references to “our Group” or “Enest Group” in this document are to our Company and our subsidiaries, taken as a whole. All references to “we”, “us”, “our” and “ourselves” are to our Company and our subsidiaries, save where the context otherwise requires. Statements as to our beliefs, expectations, estimates and opinions are those of our Company.

References to “Ringgit”, “Ringgit Malaysia”, “RM” and “sen” are to the lawful currency of Malaysia. Any discrepancies in the tables between the amounts listed and the totals in this document are due to rounding.

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
(UNAUDITED)**

	6 Months		12 Months	
	Individual period		Cumulative period	
	FPE 2023 <sup>(1)</sup>	FPE 2022	FYE 2023 <sup>(1)</sup>	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	56,301	62,537	118,945	112,972
Cost of sales	(48,893)	(55,234)	(102,697)	(98,034)
Gross profit ("GP")	7,408	7,303	16,248	14,938
Other income	(1,122)	1,210	621	1,578
Administrative & other expenses	(3,254)	(4,731)	(7,608)	(7,587)
Profit from operations	3,032	3,782	9,261	8,929
Finance costs	(337)	(300)	(495)	(357)
Profit before tax ("PBT")	2,695	3,482	8,766	8,572
Tax expenses	(254)	(683)	(1,640)	(2,107)
<b>Profit after tax ("PAT")</b>	<b>2,441</b>	<b>2,798</b>	<b>7,126</b>	<b>6,464</b>
<b>Other Comprehensive Income</b>				
Foreign currency translation differences	<b>23</b>	<b>(80)</b>	<b>57</b>	<b>(84)</b>
<b>Total comprehensive income</b>	<b>2,464</b>	<b>2,710</b>	<b>7,183</b>	<b>6,380</b>
<b>PAT attributable to:</b>				
Owners of Enest	<b>2,469</b>	2,703	<b>6,786</b>	<b>6,067</b>
Non-controlling interest ("NCI")	<b>(28)</b>	95	<b>340</b>	<b>397</b>
	<b>2,441</b>	2,798	<b>7,126</b>	<b>6,464</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of Enest	<b>2,492</b>	2,615	<b>6,843</b>	<b>5,983</b>
- NCI	<b>(28)</b>	95	<b>340</b>	<b>397</b>
	<b>2,464</b>	2,710	<b>7,183</b>	<b>6,380</b>
GP margin (%)	13.16	11.68	13.66	13.22
PBT margin (%)	4.79	5.57	7.37	7.59
PAT margin (%)	4.34	4.48	5.99	5.70
Basic/diluted earnings per share (sen) <sup>(2)</sup>	0.53	0.58	1.46	1.30
Number of shares in issue after the Excluded Issue ('000)	465,000	465,000	465,000	465,000

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Calculated based on the profit for the financial period attributable to owners of Enest, divided by the number of shares in issue after the Excluded Issue.*



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UNAUDITED)**

	As at 31.12.2023 <sup>(1)</sup> RM'000 (unaudited)	As at 31.12.2022 RM'000 (audited)
<b>Non-Current Assets</b>		
Property, plant and equipment	5,989	5,654
Investment properties	1,047	823
Goodwill	1,840	1,840
	<b>8,876</b>	<b>8,317</b>
<b>Current Assets</b>		
Inventories	13,560	11,333
Trade receivables	19,701	13,453
Other receivables	2,166	4,457
Financial assets at fair value through profit or loss	-	430
Fixed deposits	506	505
Cash and bank balances	1,296	3,647
	<b>37,229</b>	<b>33,825</b>
<b>TOTAL ASSETS</b>	<b>46,105</b>	<b>42,142</b>
<b>Equity</b>		
Share capital	5,431	5,431
Merger deficit	(375)	(375)
Foreign currency translation reserve	(15)	(72)
Retained earnings	28,242	21,456
	33,283	26,440
NCI	2,292	1,952
<b>Total Equity</b>	<b>35,575</b>	<b>28,392</b>
<b>Non-Current Liabilities</b>		
Borrowings	3,947	3,633
Deferred tax liabilities	1,103	1,442
Lease liabilities	110	110
	<b>5,160</b>	<b>5,185</b>
<b>Current Liabilities</b>		
Trade payables	170	3,455
Other payables	750	771
Lease liabilities	485	496
Borrowings	1,919	2,109
Bank overdraft	1,442	4
Tax payable	604	1,730
	<b>5,370</b>	<b>8,565</b>
<b>Total Liabilities</b>	<b>10,530</b>	<b>13,750</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,105</b>	<b>42,142</b>

Note:

(1) *The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report.*



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)**

	<b>Share capital RM'000</b>	<b>Merger Deficit RM'000</b>	<b>Foreign currency translation reserve RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>NCI RM'000</b>	<b>Total equity RM'000</b>
At 1 January 2022	5,431	(375)	12	15,389	20,457	1,554	22,012
Total comprehensive income for the financial year	-	-	(84)	6,067	5,983	397	6,380
<b>At 31 December 2022</b>	<b>5,431</b>	<b>(375)</b>	<b>(72)</b>	<b>21,456</b>	<b>26,440</b>	<b>1,952</b>	<b>28,392</b>
	<b>Share capital RM'000</b>	<b>Merger Deficit RM'000</b>	<b>Foreign currency translation reserve RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>NCI RM'000</b>	<b>Total equity RM'000</b>
At 1 January 2023	5,431	(375)	(72)	21,456	26,440	1,952	28,392
Total comprehensive income for the financial year	-	-	57	6,786	6,843	340	7,183
<b>At 31 December 2023<sup>(1)</sup></b>	<b>5,431</b>	<b>(375)</b>	<b>(15)</b>	<b>28,242</b>	<b>33,283</b>	<b>2,292</b>	<b>35,575</b>

Notes:

- (1) *The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report.*

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)**

	Year-to-date ended	
	30.12.2023 <sup>(1)</sup> RM'000	30.12.2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	8,767	8,572
<u>Adjustments for:</u>		
Depreciation	985	922
Interest expenses	512	217
Interest income	(12)	(35)
Unrealised (loss)/gain on foreign exchange	414	219
	<hr/>	<hr/>
Operating profit before working capital changes	10,666	9,894
Inventories	(2,227)	943
Receivables	(3,856)	(1,910)
Payables	(3,306)	(6,261)
	<hr/>	<hr/>
Cash generated from operations	1,277	2,664
Tax refund/paid	(3,039)	(3,207)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(1,762)</b>	<b>(543)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Repayment to associate	-	(20)
Purchase of property, plant and equipment	(1,640)	(724)
Purchase of investment property	-	1,180
Interest received	12	11
	<hr/>	<hr/>
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,628)</b>	<b>447</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(512)	(357)
Repayment to directors	-	(65)
Repayments of lease liabilities	(178)	(408)
Placement of fixed deposit pledged	(1)	(40)
Net redemption from other investment	440	
Drawdown of term loan	4,550	5,204
Repayment of term loans	(5,416)	(1,267)
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>(1,117)</b>	<b>3,066</b>
<b>Cash and cash equivalents</b>		
Net changes	(4,507)	2,971
Brought forward	3,667	696
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the financial year</b>	<b>(840)</b>	<b>3,667</b>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)**  
**(UNAUDITED)**

	Year-to-date ended	
	31.12.2023 <sup>(1)</sup>	31.12.2022
	RM'000	RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	1,296	3,646
Fixed deposits	506	505
Bank overdraft	(1,442)	(4)
	<b>(360)</b>	<b>4,147</b>
Less: Fixed deposit pledged with a licenced bank	<b>(480)</b>	<b>(480)</b>
	<b>(840)</b>	<b>3,667</b>

Notes:

- (1) *The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report.*

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## EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

### A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements as contained in this interim financial report are unaudited and have been prepared under the historical cost convention except otherwise stated. These unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Part C, Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements (“LEAP LR”) issued by Bursa Securities.

These unaudited interim financial statements should be read in conjunction with the Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 2022.

### A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the preparation of these unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the FYE 2022, except for the adoption of the following MFRS and Amendments to MFRSs as disclosed below:

#### Effective for annual periods commencing on or after 1 January 2022

- *Amendments to References to the Conceptual Framework in MFRS Standards*, as issued by MASB on 30 April 2018
- *Amendments to MFRS 3 Definition of a Business*
- *Amendments to MFRS 101 and MFRS 108 Definition of Material*
- *Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform*

The following MFRS’s and Amendments to MFRS’s have been issued by the MASB but are not early adopted by the Group:

#### Effective for annual periods commencing on or after 1 June 2022

- *Amendment to MFRS 16 Covid-19 Related Rent Concessions*

#### Effective for annual periods commencing on or after 1 January 2023

- *MFRS 17 Insurance Contracts*

#### Effective for annual periods commencing on or after 1 January 2023

- *Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2022”*
- *Amendments to MFRS 3 Reference to the Conceptual Framework*
- *Amendments to MFRS 116 Proceeds before Intended Use*
- *Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract*

#### Deferred

- *Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group is in the process of assessing the impact of implementing these accounting standards and amendments, since the effects would only be observable for the future financial years.





**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the Group's most recent annual audited financial statements for the FYE 2022 were not subject to any qualification.

**A4. SEASONALITY OR CYCLICALITY OF OPERATION**

Generally, our Group's business is not subjected to any cyclical or seasonal trend.

**A5. UNUSUAL ITEMS**

The operations and financial performance of the Group during the FYE 2023 were affected by the movement control order imposed by the Government in response to the Covid-19 pandemic.

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no significant changes in estimates of amounts reported in prior financial years that have a material impact on the FYE 2023.

**A7. DEBTS AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the semi-annual period and financial year under review.

**A8. DIVIDEND PAID/ DECLARED**

On 2 February 2023, the Board declared an interim dividend of 0.075 sen per share on 465,000,040 shares amounting to RM348,750 in respect of the financial year ended 31 DECEMBER 2023. The entitlement date for the interim dividend was 11 February 2023. The said interim dividend was paid on 26 February 2023.

**A9. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

There were no material events subsequent to the end of financial period under review that have not been reflected in this interim financial report.

**A10. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no material change in the composition of the group subsequent to the end of financial period under review that have not been reflected in this interim financial report.

**A11. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There were no contingent assets and contingent liabilities as at the date of this report.

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**MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**B1. Revenue**

**By geographical location**

	<b>Unaudited</b>		<b>Audited</b>	
	<b>12 months ended 31 December 2023 ("FYE 2023")</b>		<b>12 months ended 31 December 2022 ("FYE 2022")</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Edible bird's nest	117,473	98.76	111,404	98.61
Pharmacy	1,472	1.24	1,568	1.39
<b>Total</b>	<b>118,945</b>	<b>100.00</b>	<b>112,972</b>	<b>100.00</b>

**Comparison between the FPE 2023 and the FPE 2022**

Our Group recorded total revenue of approximately RM117.47 million for the FYE 2023, an increase by approximately RM6.07 million from the FYE 2022. This was primarily due to increase in revenue contribution from our edible bird's nest business segment.

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## B2. GP and GP margin

The following tables set out the breakdown of our Group's GP and GP margin for the FYE 2022 and FYE 2023:

GP margin	Unaudited	Audited
	12 months ended 31 December 2023 ("FYE 2023")	12 months ended 31 December 2022 ("FYE 2022")
GP (RM'000)	16,248	14,938
<b>Overall GP margin (%)</b>	<b>13.66</b>	<b>13.22</b>

### Comparison between the FYE 2023 and the FYE 2022

Our Group's GP margin increased by approximately 0.44% during the FYE 2023. This was primarily due to lower average purchase prices of our edible bird's nest.

## B3. Other income

	Unaudited	Audited
	12 months ended 31 December 2023 ("FYE 2023")	12 months ended 31 December 2022 ("FYE 2022")
	RM'000	RM'000
Other income	621	1,578

### Comparison between the FYE 2023 and the FYE 2022

Other income recorded for the FYE 2022 and 2023 mainly consist of dividend income from unit trust and foreign exchange gain. The decrease during the FYE 2023 was primarily due to decreases from foreign exchange gain and redemption of unit trust.

## B4. Administrative & other expenses

	Unaudited	Audited
	12 months ended 31 December 2023 ("FYE 2023")	12 months ended 31 December 2022 ("FYE 2022")
	RM'000	RM'000
Administrative & other expenses	7,608	7,587

### Comparison between the FYE 2023 and the FYE 2022

Administrative & other expenses increased by approximately RM0.02 million during the FYE 2023 due to higher staff costs, in line with the revenue increase for the FYE 2023.



**B5. Taxation**

	Unaudited	Audited
	12 months ended 31 December 2023 ("FYE 2023")	12 months ended 31 December 2022 ("FYE 2022")
Tax expenses (RM'000)	1,640	2,107
<b>Effective tax rate (%)</b>	<b>18.71</b>	<b>24.58</b>

**Comparison between the FYE 2023 and the FYE 2022**

Our Group recorded a lower tax expense during the FYE 2023, as compared to the FYE 2022, largely due to lower tax bracket in china.

**B6. PAT and PAT margin**

	Unaudited	Audited
	12 months ended 31 December 2023 ("FYE 2023")	12 months ended 31 December 2022 ("FYE 2022")
PAT (RM'000)	7,126	6,464
<b>PAT margin (%)</b>	<b>5.99</b>	<b>5.70</b>

**Comparison between the FYE 2023 and the FYE 2022**

Our Group recorded a higher PAT during the FYE 2023, in line with the revenue increase for the FYE 2023.

**B7. STATUS OF UTILISATION OF PROCEEDS**

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Variance RM'000	Revised timeframe for the utilisation
R&D expenditure	500	500		
Capital expenditure	501	501		
Brand development expenditure	406	406		
Working capital	1,593	1,893	<sup>(1)</sup> (300)	Fully utilised
Estimated listing expenses	1,000	700	<sup>(1)</sup> 300	Fully utilised
<b>Total</b>	<b>4,000</b>	<b>4,000</b>	-	

Notes

(1) The excess amount of RM300,000 has been reallocated to the amount earmarked for working capital, consistent with the disclosure in the Information Memorandum.



## **B5. PROSPECTS**

Our business objectives are to maintain sustainable growth in our business and create long-term shareholder value.

Apart from our existing operations in the supply of edible bird's nest, we have commenced our pharmacy business segment since 2022, whereby we currently operate 3 physical pharmacy outlets and online pharmacy marketplaces via our online platform and e-commerce marketplaces.

To do so, in addition to our online pharmacy, we plan to expand our chain of pharmacies retail outlets to increase our market presence. We intend to continue set up additional outlets within Klang Valley over the next few years.

In addition, we are also looking into expanding our product offerings. At present we offer medical supplies (such as first aid supplies, health monitors and tests, medical tests, masks and gloves) and personal care products (such as hand sanitizers). We intend to expand our product range to include supplements and prescription medicine, as well as medical equipment (such as wheelchair, walking stick, arm sling, knee brace), as well as our in-house bird's nests products.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic that the performance of the Group for the current financial year ending 31 December 2023 will remain stable and healthy.