



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 2024**

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 2023 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 Individual period		12 Months Cumulative period	
	FPE 2024⁽¹⁾ RM'000	FPE 2023 RM'000	FYE 2024⁽¹⁾ RM'000	FYE 2023 RM'000
Revenue	82,263	56,258	151,565	120,326
Cost of sales	(77,039)	(49,093)	(135,918)	(105,574)
Gross profit ("GP")	5,223	7,164	15,646	14,752
Other income	879	358	1,762	347
Administrative & other expenses	(1,155)	(5,183)	(6,253)	(5,865)
Profit from operations	4,947	2,339	11,155	9,234
Finance costs	(552)	(285)	(838)	(497)
Profit before tax ("PBT")	4,395	2,063	10,317	8,737
Tax expenses	(391)	(332)	(1,577)	(1,737)
Profit after tax ("PAT")	4,004	1,731	8,740	7,000
Other Comprehensive Income				
Foreign currency translation differences	(63)	23	(48)	57
Total comprehensive income	3,941	1,754	8,692	7,057
PAT attributable to:				
Owners of Enest	3,943	1,630	8,403	6,670
Non-controlling interest ("NCI")	3,091	101	337	330
	4,004	1,731	8,740	7,000
Total comprehensive income attributable to:				
- Owners of Enest	3,880	1,653	8,355	6,727
- NCI	61	101	337	330
	3,941	1,754	8,692	7,057
GP margin (%)	6.35	12.73	10.32	12.26
PBT margin (%)	5.34	3.67	6.81	7.26
PAT margin (%)	4.87	3.08	5.77	5.82
Basic/diluted earnings per share (sen) ⁽²⁾	0.85	0.35	1.81	1.44
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 31.12.2024⁽¹⁾ RM'000 (unaudited)	As at 31.12.2023 RM'000 (audited)
Non-Current Assets		
Property, plant and equipment	7,111	5,892
Investment properties	6,628	1,048
Goodwill	1,840	1,840
	15,579	8,780
Current Assets		
Inventories	13,058	15,920
Trade receivables	27,870	18,150
Other receivables	1,636	4,661
Amount due from an associate	11	11
Fixed deposits with a licensed bank	874	639
Cash and bank balances	9,775	1,297
	53,448	40,678
TOTAL ASSETS	69,027	49,458
Equity		
Share capital	5,431	5,431
Merger deficit	(375)	(375)
Foreign currency translation reserve	(63)	(15)
Retained earnings	36,529	28,126
	41,522	33,167
NCI	2,619	2,282
Total Equity	44,141	35,449
Non-Current Liabilities		
Borrowings	8,232	3,979
Deferred tax liabilities	94	94
Lease liabilities	270	958
	8,596	5,031
Current Liabilities		
Trade payables	2,846	3,583
Other payables	1,649	747
Lease liabilities	277	492
Borrowings	9,555	1,887
Bank overdraft	1,613	1,442
Tax payable	126	827
	16,066	8,978
Total Liabilities	24,662	14,009
TOTAL EQUITY AND LIABILITIES	68,803	49,458

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)**

	Share capital RM'000	Merger Deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2023	5,431	(375)	(72)	21,456	26,440	1,952	28,392
Total comprehensive income for the financial year	-	-	57	6,670	6,727	330	7,057
At 31 December 2023	5,431	(375)	(15)	28,126	33,167	2,282	35,449
	Share capital RM'000	Merger Deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2024	5,431	(375)	(15)	28,126	33,167	2,282	35,449
Total comprehensive income for the financial year	-	-	(48)	8,403	8,355	337	8,692
At 31 December 2024 ⁽¹⁾	5,431	(375)	(63)	36,529	41,522	2,619	44,141

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	
	30.12.2024⁽¹⁾	30.12.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,318	8,737
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	388	357
Depreciation of right-of-use assets	610	636
Fair value adjustment on investment properties	(1,019)	(49)
Gain on early termination of lease contracts	-	(1)
Reversal on impairment loss on financial assets	-	(46)
Interest expenses	878	510
Interest income	(13)	(12)
Operating profit before working capital changes	11,162	10,132
Inventories	2,862	(4,586)
Receivables	(5,922)	(4,855)
Payables	118	161
Cash generated from/(used in) operations	8,220	852
Tax refund/paid	(1,975)	(2,656)
Net cash generated from/(used in) operating activities	6,245	(1,804)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance to associate	-	(11)
Purchase of property, plant and equipment	(211)	(283)
Purchase of investment property	(4,560)	(176)
Net redemption from other investments	-	430
Interest received	13	12
Net cash (used in)/generated from investing activities	(4,758)	(28)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(286)	(510)
Repayments of lease liabilities	(903)	(1,435)
Placement of fixed deposit pledged	(133)	(133)
Drawdown of term loan	8,859	720
Repayment of term loans	(615)	(596)
Net cash generated from financing activities	6,922	(1,954)
Cash and cash equivalents		
Net changes	8,409	(3,786)
Brought forward	(119)	3,667
Cash and cash equivalents at end of the financial year	8,290	(119)



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

	Year-to-date ended	
	31.12.2024⁽¹⁾	31.12.2023
	RM'000	RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	9,775	1,297
Fixed deposits	874	639
Bank overdraft	(1,613)	(1,442)
	9,036	494
Less: Fixed deposit pledged with a licenced bank	(746)	(613)
	8,290	(119)

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 2023.

A2. SIGNIFICANT ACCOUNTING POLICIES

At the beginning of the current financial periods/years, the Group has adopted new standards and amendments to MFRSs which are mandatory for the relevant financial periods/years.

The initial application of the amendments and improvements to the MFRSs did not have material impact to the financial statements.

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

Amendments to MFRSs effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.
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Amendments to MFRSs effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 1*, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	First time adoption of Malaysian Financial Reporting Standards, Financial Instruments – Disclosure, Financial Instruments, Consolidated Financial Statements and Statement of Cash Flows
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Annual improvements to MFRS Accounting Standards – Volume 11

MFRSs effective for financial periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability – Disclosures

Amendments to MFRSs effective for a date to be confirmed:-

Amendments to MFRS 10 And MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of assets between an investor and its Associate or Joint Venture.
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* Not applicable to the Group’s operation

The initial application of the new and amended standards are not expected to have material impact to the financial statements of the Group.



A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the Group's most recent annual audited financial statements for the FYE 2023 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. 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 2024.

A6. 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.

A7. DIVIDEND PAID/ DECLARED

There was no dividend paid or declared during the semi-annual period under review.

A8. 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.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material change in the composition of the group during the financial year except for the following:-

On 21 March 2024, the Company subscribed 900,000 units of newly issued shares of Enest Properties Sdn. Bhd. for cash consideration of RM900,000, which did not result any changes in effective equity interest.

On 18 November 2024, the Group has dispose 200,000 units of shares of its subsidiary, Enest Swiftlets Sdn. Bhd. for cash considerations of RM900,000, which did not result any changes in effective equity interest.

On 31 December 2024, the Group has submitted an application to strike-off its dormant associate, Easy Pharma Sdn. Bhd. pursuant to Section 550 of the Companies Act 2016 to the Companies Commission of Malaysia.

A10. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

A11. CAPITAL COMMITMENTS

RM'000

Balance of acquisition cost committed for the purchase of properties held for investment	2,955
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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

B1. Revenue

By geographical location

	Unaudited		Audited	
	12 months ended 31 December 2024 ("FYE 2024")		12 months ended 31 December 2023 ("FYE 2023")	
	RM'000	%	RM'000	%
Edible bird's nest	149,334	98.53	118,889	98.81
Pharmacy	2,231	1.47	1,437	1.19
Total	151,565	100.00	120,326	100.00

Comparison between the FPE 2024 and the FPE 2023

Our Group recorded total revenue of approximately RM151.57 million for the FYE 2024, an increase by approximately RM11.33 million from the FYE 2023. This was primarily due to additional revenue contribution from our pharmacy business segment and 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 2023 and FYE 2024:

GP margin	Unaudited	Audited
	12 months ended 31 December 2024 ("FYE 2024")	12 months ended 31 December 2023 ("FYE 2023")
GP (RM'000)	15,646	14,752
Overall GP margin (%)	10.32	12.26

Comparison between the FYE 2024 and the FYE 2023

Our Group's GP margin decreased by approximately 1.94% during the FYE 2024. This was primarily due to lower average selling prices of our edible bird's nest.

B3. Other income

	Unaudited	Audited
	12 months ended 31 December 2024 ("FYE 2024")	12 months ended 31 December 2023 ("FYE 2023")
	RM'000	RM'000
Other income	1,762	347

Comparison between the FYE 2024 and the FYE 2023

Other income recorded for the FYE 2023 and 2024 mainly consist of foreign exchange gain and fair value gain on investment properties. The increase during the FYE 2024 was primarily due to increases from foreign exchange gain and fair value gain on investment properties.

B4. Administrative & other expenses

	Unaudited	Audited
	12 months ended 31 December 2024 ("FYE 2024")	12 months ended 31 December 2023 ("FYE 2023")
	RM'000	RM'000
Administrative & other expenses	6,253	5,865

Comparison between the FYE 2024 and the FYE 2023

Administrative & other expenses increased by approximately RM0.38 million during the FYE 2024 due to higher staff costs, in line with the revenue increase for the FYE 2024.



B5. Taxation

	Unaudited	Audited
	12 months ended 31 December 2024 ("FYE 2024")	12 months ended 31 December 2023 ("FYE 2023")
Tax expenses (RM'000)	1,577	1,737
Effective tax rate (%)	15.29	19.88

Comparison between the FYE 2024 and the FYE 2023

Our Group recorded a consistent tax expense rate during the FYE 2024, as compared to the FYE 2023.

B6. PAT and PAT margin

	Unaudited	Audited
	12 months ended 31 December 2024 ("FYE 2024")	12 months ended 31 December 2023 ("FYE 2023")
PAT (RM'000)	8,740	7,000
PAT margin (%)	5.77	5.82

Comparison between the FYE 2024 and the FYE 2023

Our Group recorded a higher PAT during the FYE 2024, in line with the revenue increase for the FYE 2024.



B5. PROSPECTS

The Group's overall positive performance for the FYE 2024 was largely supported by the growing demand for our edible bird's nest.

Apart from our existing operations in the supply of edible bird's nest, the Group has also expanded its business to the pharmacy business segment since 2021. The Group currently operates two physical pharmacy outlets.

Furthermore, with the consistent growth in our edible bird's nest business segment, the group will continue to review its production and supply chain process to further enhance the operation efficiency and profitability to ensure sustainable growth.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic that the performance of the Group for the next financial year ending 31 December 2025 will remain stable and healthy.