



**YENHER**

**YENHER HOLDINGS BERHAD**

(Registration No. 202001008388 (1364708-X))

(Incorporated in Malaysia under Companies Act 2016)

**Interim Financial Report  
For The First Quarter Ended  
31 March 2022**

**23 May 2022**

# Yenher Holdings Berhad

(Registration No. 202001008388 (1364708-X))

(Incorporated in Malaysia)

## Interim Financial Report for the First Quarter Ended 31 March 2022

### Condensed consolidated statement of financial position

	As at 31.03.2022	As at 31.12.2021
	Unaudited RM	Audited RM
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	39,966,710	39,593,337
Intangible assets	417,422	444,960
	<u>40,384,132</u>	<u>40,038,297</u>
<b>Current Assets</b>		
Inventories	41,099,117	38,011,660
Trade and other receivables	87,588,108	77,399,971
Placements in money market funds	25,894,195	26,871,484
Short-term deposits, cash and bank balances	34,296,777	39,949,506
	<u>188,878,197</u>	<u>182,232,621</u>
<b>Total Assets</b>	<b><u>229,262,329</u></b>	<b><u>222,270,918</u></b>
<b>Equity and Liabilities</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	177,429,501	177,429,501
Merger deficit	(115,534,500)	(115,534,500)
Exchange translation reserve	2,451	(2,847)
Revaluation reserve	9,275,905	9,286,916
Retained profits	127,682,501	122,758,621
<b>Total Equity</b>	<b><u>198,855,858</u></b>	<b><u>193,937,691</u></b>
<b>Non-current Liabilities</b>		
Deferred tax liabilities	1,426,486	1,478,611
Lease liabilities	1,333,952	1,550,126
	<u>2,760,438</u>	<u>3,028,737</u>
<b>Current Liabilities</b>		
Bank borrowings	3,007,000	-
Lease liabilities	854,431	847,632
Trade and other payables	23,206,134	23,773,358
Tax payable	578,468	683,500
	<u>27,646,033</u>	<u>25,304,490</u>
<b>Total Liabilities</b>	<b><u>30,406,471</u></b>	<b><u>28,333,227</u></b>
<b>Total Equity and Liabilities</b>	<b><u>229,262,329</u></b>	<b><u>222,270,918</u></b>
Number of ordinary shares in issue	300,000,000	300,000,000
Net assets per share of the Company (RM)	<u>0.66</u>	<u>0.65</u>

*The condensed consolidated statement of financial position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*

**Yenher Holdings Berhad**

(Registration No. 202001008388 (1364708-X))

(Incorporated in Malaysia)

**Interim Financial Report for the First Quarter Ended 31 March 2022****Condensed consolidated statement of profit or loss and other comprehensive income**

	Note	Quarter ended		Year-to-date ended	
		31.03.2022 Unaudited RM	31.03.2021 Unaudited RM	31.03.2022 Unaudited RM	31.03.2021 Unaudited RM
Revenue	A11	76,088,347	58,786,254	76,088,347	58,786,254
Cost of sales		(64,109,025)	(45,882,525)	(64,109,025)	(45,882,525)
<b>Gross profit</b>		<b>11,979,322</b>	<b>12,903,729</b>	<b>11,979,322</b>	<b>12,903,729</b>
Other income		337,144	273,153	337,144	273,153
Selling and distribution costs		(2,348,565)	(2,372,152)	(2,348,565)	(2,372,152)
Administrative expenses		(3,313,638)	(4,098,160)	(3,313,638)	(4,098,160)
Research and development costs		(172,982)	(50,075)	(172,982)	(50,075)
Other expenses		(27,072)	(21,300)	(27,072)	(21,300)
<b>Operating profit</b>		<b>6,454,209</b>	<b>6,635,195</b>	<b>6,454,209</b>	<b>6,635,195</b>
Finance costs		(32,578)	(17,075)	(32,578)	(17,075)
<b>Profit before taxation</b>	B5	<b>6,421,631</b>	<b>6,618,120</b>	<b>6,421,631</b>	<b>6,618,120</b>
Taxation	B6	(1,508,762)	(1,680,507)	(1,508,762)	(1,680,507)
<b>Profit for the period</b>		<b>4,912,869</b>	<b>4,937,613</b>	<b>4,912,869</b>	<b>4,937,613</b>
<b>Other comprehensive income, net of tax</b>					
<i>Item that will be reclassified subsequently to profit or loss :</i>					
- Exchange gain/(loss) on translation of foreign operation		5,298	(537)	5,298	(537)
<b>Total other comprehensive income/(loss) for the period</b>		<b>5,298</b>	<b>(537)</b>	<b>5,298</b>	<b>(537)</b>
<b>Total comprehensive income for the period</b>		<b>4,918,167</b>	<b>4,937,076</b>	<b>4,918,167</b>	<b>4,937,076</b>
<b>Attributable to owners of the Company</b>					
Profit for the period		4,912,869	4,937,613	4,912,869	4,937,613
Total comprehensive income for the period		4,918,167	4,937,076	4,918,167	4,937,076
<b>Earnings per share attributable to owners of the Company</b>					
Basic and diluted (Sen)	B12	1.64	2.10	1.64	2.10
Weighted average number of ordinary shares in issue	B12	300,000,000	235,569,000	300,000,000	235,569,000

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**Yenher Holdings Berhad**

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(Incorporated in Malaysia)

**Interim Financial Report for the First Quarter Ended 31 March 2022****Condensed consolidated statement of changes in equity**

	Non-distributable				Distributable	Total RM
	Share capital RM	Merger deficit RM	Exchange translation reserve RM	Revaluation reserve RM	Retained profits RM	
<b>Year-to-date ended 31 March 2022 (Unaudited)</b>						
<b>Balance as at 1 January 2022</b>	177,429,501	(115,534,500)	(2,847)	9,286,916	122,758,621	193,937,691
Profit for the period	-	-	-	-	4,912,869	4,912,869
Exchange gain on translation of foreign operation	-	-	5,298	-	-	5,298
<b>Total comprehensive income for the period</b>	-	-	<b>5,298</b>	-	<b>4,912,869</b>	<b>4,918,167</b>
Transfer of revaluation surplus on land and buildings	-	-	-	(11,011)	11,011	-
<b>Balance as at 31 March 2022</b>	<b>177,429,501</b>	<b>(115,534,500)</b>	<b>2,451</b>	<b>9,275,905</b>	<b>127,682,501</b>	<b>198,855,858</b>
<b>Year-to-date ended 31 March 2021 (Unaudited)</b>						
<b>Balance as at 1 January 2021</b>	117,784,501	(115,534,500)	-	9,337,236	117,171,182	128,758,419
Profit for the period	-	-	-	-	4,937,613	4,937,613
Exchange loss on translation of foreign operation	-	-	(537)	-	-	(537)
<b>Total comprehensive (loss)/income for the period</b>	-	-	<b>(537)</b>	-	<b>4,937,613</b>	<b>4,937,076</b>
Transfer of revaluation surplus on land and buildings	-	-	-	(17,286)	17,286	-
<b>Balance as at 31 March 2021</b>	<b>117,784,501</b>	<b>(115,534,500)</b>	<b>(537)</b>	<b>9,319,950</b>	<b>122,126,081</b>	<b>133,695,495</b>

*The condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*

**Yenher Holdings Berhad**

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**Interim Financial Report for the First Quarter Ended 31 March 2022****Condensed consolidated statement of cash flows**

	Year-to-date ended	
	31.03.2022	31.03.2021
	Unaudited	Unaudited
	RM	RM
<b>Cash flows from operating activities</b>		
Profit before taxation	6,421,631	6,618,120
<i>Adjustments for :-</i>		
Amortisation of intangible assets	27,538	13,537
Depreciation of property, plant and equipment	282,141	248,742
Depreciation of right-of-use assets	212,595	208,742
Gain on disposal of property, plant and equipment	(34,599)	(15,398)
Net (reversal)/addition of impairment losses on trade receivables	(16,443)	394,335
Interest expense	32,578	17,075
Income from placements in money market funds	(8,989)	-
Interest income	(130,991)	(42,306)
Gain on changes in fair value of money market funds	(116,999)	-
Unrealised gain on foreign exchange	(1,668)	(211,084)
Operating profit before working capital changes	6,666,794	7,231,763
Increase in inventories	(3,092,272)	(4,194,338)
Increase in trade and other receivables	(9,331,561)	(21,143,949)
(Decrease)/Increase in trade and other payables	(1,380,262)	8,363,610
Cash utilised in operations	(7,137,301)	(9,742,914)
Interest received	130,991	42,306
Interest paid	(32,578)	(17,075)
Tax paid	(1,666,332)	(1,707,145)
Net cash used in operating activities	(8,705,220)	(11,424,828)
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	-	(199,044)
Purchase of property, plant and equipment	(868,107)	(250,827)
Proceeds from disposal of property, plant and equipment	34,600	15,400
Net proceeds from redemption of money market funds	1,094,285	-
Income from placements in money market funds	8,989	-
Net cash from/(used in) investing activities	269,767	(434,471)

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### Interim Financial Report for the First Quarter Ended 31 March 2022

#### Condensed consolidated statement of cash flows (Cont'd)

	Year-to-date ended	
	31.03.2022	31.03.2021
	Unaudited	Unaudited
	RM	RM
<b>Cash flows from financing activities</b>		
Bank borrowings obtained, net of repayment	3,007,000	-
Payments of lease liabilities	(209,375)	(210,925)
Net cash from/(used in) financing activities	2,797,625	(210,925)
<b>Net decrease in cash and cash equivalents</b>	(5,637,828)	(12,070,224)
Effect of foreign exchange difference on cash and cash equivalents	(14,900)	998
Cash and cash equivalents at beginning of period	38,340,466	24,695,389
<b>Cash and cash equivalents at end of period</b>	<b>32,687,738</b>	<b>12,626,163</b>

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following amounts from the condensed consolidated statement of financial position :

	As at	As at
	31.03.2022	31.03.2021
	RM	RM
Short-term deposits, cash and bank balances, as presented in the condensed consolidated statement of financial position	34,296,777	14,165,716
Less : Short-term deposits pledged as security	(1,609,039)	(1,539,553)
Cash and cash equivalents, as presented in the condensed consolidated statement of cash flows	32,687,738	12,626,163

*The condensed consolidated statement of cash flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*

## Yenher Holdings Berhad

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### Interim Financial Report for the First Quarter Ended 31 March 2022

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## Part A : Explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting*

### A1. Basis of preparation

This interim financial report of Yenher Holdings Berhad ("Yenher" or "Company") and its subsidiaries (collectively, the "Group") is unaudited and has been prepared in accordance with the requirements of MFRS 134 and International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as well as Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

This interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

### A2. Significant accounting policies

#### A2.1 Adoption of amendments to MFRSs

The significant accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the audited consolidated financial statements of the Group for the financial year ended 31 December 2021, except for the adoption of the following amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") and which are relevant and mandatory for the current financial year :

Amendment to MFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

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

Amendments to MFRSs Classified as "Annual Improvements to MFRS Standards 2018 - 2020" :

- Amendment to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards

- Amendment to MFRS 9, Financial Instruments

- Amendment to MFRS 141, Agriculture

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group's existing accounting policies.

#### A2.2 New MFRS and amendments to MFRSs that are in issue but not yet effective

The Group has not early adopted the following new MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective :-

##### ***Effective for annual periods beginning on or after 1 January 2023***

MFRS 17, Insurance Contracts

Amendments to MFRS 17 - Insurance Contracts

Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 - Disclosure of Accounting Policies

Amendments to MFRS 108 - Definition of Accounting Estimates

Amendments to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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### Interim Financial Report for the First Quarter Ended 31 March 2022

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#### Part A : Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting (Cont'd)*

##### A2.2 New MFRS and amendments to MFRSs that are in issue but not yet effective (Cont'd)

The Group has not early adopted the following new MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective :- (Cont'd)

***Effective for annual periods beginning on or after a date to be determined by the MASB***

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

The Group will apply the above new MFRS and amendments to MFRSs that are applicable once they become effective and their adoption is not expected to have any significant impact on the Group's financial statements in the period of initial application.

##### A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2021.

##### A4. Seasonal or cyclical factors

The Group's business is not subjected to any seasonal or cyclical trend.

##### A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

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

##### A6. Material changes in estimates

There were no material changes in estimates of amounts reported in the prior financial years that have a material effect on the financial results of the Group for the current quarter and financial year-to-date under review.

##### A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial year-to-date under review.

##### A8. Dividends declared and paid

For information purposes, the Directors of the Company have proposed a final single-tier dividend of 1.50 sen per ordinary share amounting to RM4,500,000 for the financial year ended 31 December 2021. The proposed dividend is subject to shareholders' approval at the Company's Annual General Meeting, which is to be held on 3 June 2022.

Save as disclosed above, there were no other dividends paid, declared and/or proposed during the current quarter and financial year-to-date under review.

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### Interim Financial Report for the First Quarter Ended 31 March 2022

#### Part A : Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont'd)

##### A9. Property, plant and equipment (“PPE”)

The Group acquired PPE amounting to RM0.87 million during the current quarter and the financial year-to-date under review.

There were no material disposals of PPE during the current quarter and financial year-to-date under review.

There were also no valuations of PPE during the current quarter and financial year-to-date under review.

##### A10. Impairment losses

Save as disclosed in Note B5 below, there were no other impairment losses or reversal of impairment losses arising from PPE, financial assets or other assets during the current quarter and financial year-to-date under review.

##### A11. Operating revenue

The Group's revenue from sales of goods is recognised at a point in time and is derived from the following business activities :

	Quarter ended		Year-to-date ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM	RM	RM	RM
Manufacturing	27,224,581	27,199,345	27,224,581	27,199,345
Distribution	48,863,766	31,586,909	48,863,766	31,586,909
	<u>76,088,347</u>	<u>58,786,254</u>	<u>76,088,347</u>	<u>58,786,254</u>

##### A12. Segmental information

The Group is mainly involved in manufacturing, supplying and marketing of health and nutrition products for livestock and companion animals which collectively are considered as one business segment. Accordingly, the operating revenue and results of this segment are reflected in the Group's statement of profit or loss and other comprehensive income. The segment assets and liabilities are as presented in the Group's statement of financial position.

The revenue from external customers by location of customers is set out below :

	Quarter ended		Year-to-date ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM	RM	RM	RM
Malaysian customers	66,083,497	54,492,553	66,083,497	54,492,553
Overseas customers	10,004,850	4,293,701	10,004,850	4,293,701
	<u>76,088,347</u>	<u>58,786,254</u>	<u>76,088,347</u>	<u>58,786,254</u>

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### Interim Financial Report for the First Quarter Ended 31 March 2022

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#### Part A : Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”)

##### 134 Interim Financial Reporting (Cont'd)

#### A13. Material events subsequent to the end of reporting period

There were no material events subsequent to the end of the current quarter up to the date of this interim financial report.

#### A14. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date under review.

#### A15. Fair Value of Financial Instruments

The Group measures its financial instruments carried at fair value in accordance with the following levels of fair value hierarchy which are categorised based on the input used in the valuation technique :

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability; and

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group's financial instruments as at the end of the financial period under review measured at fair value are as follows :

	As at 31.03.2022 RM	As at 31.12.2021 RM
<b>Level 2</b>		
Financial assets at fair value through profit or loss - Placements in money market funds	25,894,195	26,871,484

The fair value of the placements in money market funds is determined by reference to market price at the end of the reporting period.

#### A16. Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets as at the end of the reporting period.

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### Interim Financial Report for the First Quarter Ended 31 March 2022

#### Part A : Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* (Cont'd)

##### A17. Capital commitments

	As at 31.03.2022 RM	As at 31.12.2021 RM
Authorised and contracted capital expenditure not provided for in the financial statements :		
- Acquisition of property, plant and equipment	9,908,984	9,843,296
Authorised but not contracted for :		
- Acquisition of property, plant and equipment	-	537,075
- Construction of a new factory building	30,211,295	30,065,215
	<u>30,211,295</u>	<u>30,602,290</u>

##### A18. Significant related party transactions

	Quarter ended		Year-to-date ended	
	31.03.2022 RM	31.03.2021 RM	31.03.2022 RM	31.03.2021 RM
Transactions with a company in which certain Directors of the Group have substantial financial interests :				
- Payments for leases	(240,000)	(240,000)	(240,000)	(240,000)
Transactions with companies in which a person connected to certain Directors of the Group has substantial financial interests :				
- Sales of goods	8,234,448	7,582,581	8,234,448	7,582,581
- Purchases of goods	(528,742)	(727,298)	(528,742)	(727,298)
- Rendering of services	(209,293)	(154,847)	(209,293)	(154,847)
Rental charged by a Director of the Company	(4,500)	(4,500)	(4,500)	(4,500)

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### Interim Financial Report for the First Quarter Ended 31 March 2022

#### Part B : Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements

##### B1. Performance review

The analyses of the Group performance are as follows :

	Quarter ended		Year-to-date ended	
	31.03.2022 ("Q1-2022") RM	31.03.2021 ("Q1-2021") RM	31.03.2022 RM	31.03.2021 RM
Revenue	76,088,347	58,786,254	76,088,347	58,786,254
Gross profit	11,979,322	12,903,729	11,979,322	12,903,729
Profit before taxation	6,421,631	6,618,120	6,421,631	6,618,120
Profit for the period	4,912,869	4,937,613	4,912,869	4,937,613

In the Q1-2022 and financial year-to-date under review, the Group recorded revenue of RM76.09 million, of which RM27.22 million or 35.78% was derived from its manufacturing activity while the distribution activity contributed the remaining RM48.86 million or 64.22%.

Revenue increased marginally to RM76.09 million in Q1-2022 as compared to RM58.79 million posted in the corresponding quarter Q1-2021. The increase was contributed mainly by higher sales of commodities, vitamin and minerals and amino acid.

The Group recorded a gross profit of RM11.98 million for Q1-2022 and financial year-to-date under review. In respect of the current quarter under review, the Group's manufacturing activity contributed RM8.04 million or 67.12% of the total gross profit while the remaining gross profit of RM3.94 million or 32.88% was contributed by its distribution activity.

The gross profit decreased to RM11.98 million in Q1-2022 as compared to RM12.90 million posted in the corresponding quarter Q1-2021. Gross profit decreased by RM0.92 million or 7.16% due to higher cost of sales and packaging materials arising from higher overall material cost and freight and forwarding costs caused by supply chain challenges around the world.

The Group recorded profit before taxation of RM6.42 million for Q1-2022 and financial year-to-date under review after incurring expenses such as selling and distribution costs as well as administrative expenses. These expenses consist mainly of staff costs, transportation costs and depreciation.

The profit before taxation for Q1-2022 is RM0.20 million or 2.97% lower than the profit before taxation posted by the Group for Q1-2021, a drop of which is lower than the drop in gross profit at 7.16% as explained above. This was contributed mainly by the decrease in administrative expenses incurred in Q1-2022 which was RM0.78 million lower than those incurred in Q1-2021.

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### Interim Financial Report for the First Quarter Ended 31 March 2022

#### Part B : Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (Cont'd)

##### B2. Comparison with immediate preceding quarter

	Quarter ended	Immediate	Changes	
	31.03.2022 ("Q1-2022")	preceding quarter 31.12.2021 ("Q4-2021")	RM	%
	RM	RM		
Revenue	76,088,347	71,194,928	4,893,419	6.87
Gross profit	11,979,322	13,866,527	(1,887,205)	(13.61)
Selling and distribution costs	(2,348,565)	(2,781,820)	433,255	(15.57)
Administrative expenses	(3,313,638)	(3,690,273)	376,635	(10.21)
Profit before taxation	6,421,631	7,577,977	(1,156,346)	(15.26)

The Group's revenue for Q1-2022 increased by 6.87% to RM76.09 million from RM71.19 million recorded in Q4-2021. The increase in revenue was mainly contributed by the increase in sales of commodities from the distribution activity.

The Group's gross profit margin decreased 3.74% from 19.48% in Q4-2021 to 15.74% in Q1-2022. The decrease in gross profit margin was primarily due to the increase in sales of commodities which contributed a much lower profit margin as compared to the other product categories and higher cost of sales arising from higher overall material cost and freight and forwarding costs caused by supply chain challenges around the world.

The Group's profit before taxation decreased by 15.26% to RM6.42 million from RM7.58 million recorded in Q4-2021 as results of decrease in gross profit in the current quarter.

##### B3. Prospects for the Group for the financial year ending 31 December 2022

The Board expects the Group's performance in 2022 to remain profitable despite uncertain economic environment, volatile commodity prices and foreign exchange rates. Barring any unforeseen circumstances, the Group is positive that it will continue to perform well during the year ahead, while continuously assessing if adjustments need to be made.

The Group continues to focus on expanding its business into new markets and in order to improve its product portfolio, the Group will also increase its research and development efforts. To support these business expansion plans, the construction of the Group's new manufacturing plant is under way and expected to be completed by the fourth quarter of 2023.

##### B4. Variance of actual profit from profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**Yenher Holdings Berhad**

(Registration No. 202001008388 (1364708-X))

(Incorporated in Malaysia)

**Interim Financial Report for the First Quarter Ended 31 March 2022****Part B : Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (Cont'd)****B5. Profit before taxation**

	Quarter ended		Year-to-date ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM	RM	RM	RM
This includes the following items of income/(expense) :				
Interest income	130,991	42,306	130,991	42,306
Income from placements in money market funds	8,989	-	8,989	-
Gain on changes in fair value of money market funds	116,999	-	116,999	-
Gain on disposal of property, plant and equipment	34,599	15,398	34,599	15,398
Realised loss on foreign exchange	(26,975)	(113,492)	(26,975)	(113,492)
Unrealised gain on foreign exchange	1,668	211,084	1,668	211,084
Amortisation of intangible assets	(27,538)	(13,537)	(27,538)	(13,537)
Depreciation of property, plant and equipment	(282,141)	(248,742)	(282,141)	(248,742)
Depreciation of right-of-use assets	(212,595)	(208,742)	(212,595)	(208,742)
Net reversal/(additional) of impairment losses on trade receivables	16,443	(394,335)	16,443	(394,335)
Interest expense	(32,578)	(17,075)	(32,578)	(17,075)
Listing expenses	-	(67,584)	-	(67,584)

Save as disclosed above, the other disclosure items as required under Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

**B6. Taxation**

	Quarter ended		Year-to-date ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM	RM	RM	RM
Current tax	1,561,300	1,680,000	1,561,300	1,680,000
Deferred tax income resulting from origination and reversal of temporary differences	(52,538)	(122,381)	(52,538)	(122,381)
	1,508,762	1,557,619	1,508,762	1,557,619
Deferred tax under provided in prior year	-	122,888	-	122,888
	1,508,762	1,680,507	1,508,762	1,680,507
Effective tax rate (%)	23.49%	25.39%	23.49%	25.39%
Statutory tax rate (%)	24.00%	24.00%	24.00%	24.00%

The effective tax rate of the Group for the current quarter and financial year-to-date under review was slightly lower than the statutory tax rate mainly due higher non-taxable income.

**Interim Financial Report for the First Quarter Ended 31 March 2022**

**Part B : Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (Cont'd)**

**B7. Status of corporate proposals**

There was no corporate proposal announced by the Company but not completed as at the date of this interim financial report.

**B8. Utilisation of proceeds from the Public Issue**

The status of the utilisation of gross proceeds from the Public Issue of approximately RM61.21 million is as follows :

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance unutilised RM'000</b>	<b>Intended timeframe for utilisation from the date of listing</b>
<b>Details of the use of proceeds</b>				
Construction of a new Good Manufacturing Practice ("GMP") compliant manufacturing plant	31,000	1,935	29,065	Within 30 months
Purchase of new machinery and equipment	9,700	-	9,700	Within 30 months
Working capital	16,709	15,500	1,209	Within 36 months
Estimated listing expenses	3,800	3,233	567	Within 1 month <sup>#</sup>
<b>Total</b>	<b>61,209</b>	<b>20,668</b>	<b>40,541</b>	

<sup>#</sup> *The balance of unutilised proceeds allocated for listing expenses has been reallocated for the Group's working capital purposes.*

The use of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 22 June 2021.

**B9. Borrowings and debt securities**

	<b>As at 31.03.2022 RM</b>	<b>As at 31.12.2021 RM</b>
Bankers' acceptances	3,007,000	-

Save as disclosed above, the Group does not have any other borrowings and debt securities outstanding as at the end of the current quarter under review.

**B10. Derivative financial instruments**

The Group has entered into forward foreign exchange contracts to manage the foreign currency exposures arising from the Group's receivables and payables denominated in United States Dollar (USD). The notional principal amount of the Group's outstanding forward foreign exchange contracts as at 31 March 2022 was RM4.21 million and have maturities of less than one year as at the end of the reporting period. The fair value of these outstanding forward foreign exchange contracts has not been recognised in the current quarter under review as the financial impact is considered as immaterial.

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**Interim Financial Report for the First Quarter Ended 31 March 2022****Part B : Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (Cont'd)****B11. Fair value of financial liabilities**

There was no gain or loss arising from fair value changes of financial liabilities for the current quarter and financial year-to-date under review as the Group did not have any financial liabilities measured at fair value.

**B12. Earnings per share ("EPS")**

	Quarter ended		Year-to-date ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the Company (RM)	4,912,869	4,937,613	4,912,869	4,937,613
Weighted average number of shares in issue	300,000,000	235,569,000	300,000,000	235,569,000
Basic and diluted EPS (Sen)	1.64	2.10	1.64	2.10

The basic EPS is computed based on the profit attributable to owners of the Company for the period divided by the weighted average number of ordinary shares in issue during the financial period under review. The diluted EPS is equivalent to the basic EPS as there were no dilutive potential ordinary shares outstanding as at the end of the financial period under review.

**B13. Material litigations**

There was no material litigation involving the Group since the date of the last annual statement of financial position to the date of this interim financial report.

**B14. Dividend declared**

Save as disclosed in Note A8 above, there was no dividend that has been declared or recommended for payment by the Directors of the Company during the financial period under review to date.

By Order of the Board  
Company Secretary  
23 May 2022