



YENHER

YENHER HOLDINGS BERHAD

(Registration No. 202001008388 (1364708-X))
(Incorporated in Malaysia under Companies Act 2016)

**Interim Financial Report
For The Second Quarter Ended
30 June 2022**

19 August 2022

Yenher Holdings Berhad

(Registration No. 202001008388 (1364708-X))

(Incorporated in Malaysia)

Interim Financial Report for the Second Quarter Ended 30 June 2022**Condensed consolidated statement of financial position**

	As at 30.06.2022	As at 31.12.2021
	Unaudited RM	Audited RM
Assets		
Non-current Assets		
Property, plant and equipment	39,615,137	39,593,337
Intangible assets	395,581	444,960
	<u>40,010,718</u>	<u>40,038,297</u>
Current Assets		
Inventories	50,521,774	38,011,660
Trade and other receivables	99,134,665	77,399,971
Placements in money market funds	21,714,909	26,871,484
Short-term deposits, cash and bank balances	30,698,532	39,949,506
	<u>202,069,880</u>	<u>182,232,621</u>
Total Assets	<u>242,080,598</u>	<u>222,270,918</u>
Equity and Liabilities		
Equity Attributable to Owners of the Company		
Share capital	177,429,501	177,429,501
Merger deficit	(115,534,500)	(115,534,500)
Exchange translation reserve	1,018	(2,847)
Revaluation reserve	9,264,893	9,286,916
Retained profits	129,328,085	122,758,621
Total Equity	<u>200,488,997</u>	<u>193,937,691</u>
Non-current Liabilities		
Deferred tax liabilities	1,408,499	1,478,611
Lease liabilities	1,116,043	1,550,126
	<u>2,524,542</u>	<u>3,028,737</u>
Current Liabilities		
Bank borrowings	10,297,000	-
Lease liabilities	861,285	847,632
Trade and other payables	27,100,404	23,773,358
Tax payable	808,370	683,500
	<u>39,067,059</u>	<u>25,304,490</u>
Total Liabilities	<u>41,591,601</u>	<u>28,333,227</u>
Total Equity and Liabilities	<u>242,080,598</u>	<u>222,270,918</u>
Number of ordinary shares in issue	300,000,000	300,000,000
Net assets per share of the Company (RM)	<u>0.67</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 Second Quarter Ended 30 June 2022**Condensed consolidated statement of profit or loss and other comprehensive income**

	Note	Quarter ended		Year-to-date ended	
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		Unaudited RM	Unaudited RM	Unaudited RM	Unaudited RM
Revenue	A11	102,246,197	67,191,499	178,334,544	125,977,753
Cost of sales		(87,339,686)	(53,953,679)	(151,448,711)	(99,836,204)
Gross profit		14,906,511	13,237,820	26,885,833	26,141,549
Other income		585,211	99,641	922,355	372,794
Selling and distribution costs		(3,591,154)	(1,962,340)	(5,939,719)	(4,334,492)
Administrative expenses		(3,694,643)	(3,317,033)	(7,008,281)	(7,415,193)
Research and development costs		(108,339)	(40,970)	(281,321)	(91,045)
Other expenses		(22,400)	(52,979)	(49,472)	(74,279)
Operating profit		8,075,186	7,964,139	14,529,395	14,599,334
Finance costs		(65,865)	(58,085)	(98,443)	(75,160)
Profit before taxation	B5	8,009,321	7,906,054	14,430,952	14,524,174
Taxation	B6	(1,874,749)	(1,912,410)	(3,383,511)	(3,592,917)
Profit for the period		6,134,572	5,993,644	11,047,441	10,931,257
Other comprehensive income, net of tax					
<i>Item that will be reclassified subsequently to profit or loss :</i>					
- Exchange (loss)/gain on translation of foreign operation		(1,433)	(2,634)	3,865	(3,171)
Total other comprehensive (loss)/income for the period		(1,433)	(2,634)	3,865	(3,171)
Total comprehensive income for the period		6,133,139	5,991,010	11,051,306	10,928,086
Attributable to owners of the Company					
Profit for the period		6,134,572	5,993,644	11,047,441	10,931,257
Total comprehensive income for the period		6,133,139	5,991,010	11,051,306	10,928,086
Earnings per share attributable to owners of the Company					
Basic and diluted (Sen)	B12	2.04	2.54	3.68	4.64
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.

Interim Financial Report for the Second Quarter Ended 30 June 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	
Year-to-date ended 30 June 2022 (Unaudited)						
Balance as at 1 January 2022	177,429,501	(115,534,500)	(2,847)	9,286,916	122,758,621	193,937,691
Profit for the period	-	-	-	-	11,047,441	11,047,441
Exchange gain on translation of foreign operation	-	-	3,865	-	-	3,865
Total comprehensive income for the period	-	-	3,865	-	11,047,441	11,051,306
Transfer of revaluation surplus on land and buildings	-	-	-	(22,023)	22,023	-
Dividends paid (Note A8)	-	-	-	-	(4,500,000)	(4,500,000)
Balance as at 30 June 2022	177,429,501	(115,534,500)	1,018	9,264,893	129,328,085	200,488,997
Year-to-date ended 30 June 2021 (Unaudited)						
Balance as at 1 January 2021	117,784,501	(115,534,500)	-	9,337,236	117,171,182	128,758,419
Profit for the period	-	-	-	-	10,931,257	10,931,257
Exchange loss on translation of foreign operation	-	-	(3,171)	-	-	(3,171)
Total comprehensive (loss)/income for the period	-	-	(3,171)	-	10,931,257	10,928,086
Transfer of revaluation surplus on land and buildings	-	-	-	(28,297)	28,297	-
Dividends paid (Note A8)	-	-	-	-	(10,800,000)	(10,800,000)
Balance as at 30 June 2021	117,784,501	(115,534,500)	(3,171)	9,308,939	117,330,736	128,886,505

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 Second Quarter Ended 30 June 2022**Condensed consolidated statement of cash flows**

	Year-to-date ended	
	30.06.2022	30.06.2021
	Unaudited	Unaudited
	RM	RM
Cash flows from operating activities		
Profit before taxation	14,430,952	14,524,174
<i>Adjustments for :-</i>		
Amortisation of intangible assets	55,376	50,762
Depreciation of property, plant and equipment	588,186	496,613
Depreciation of right-of-use assets	425,190	417,483
Gain on disposal of property, plant and equipment	(167,597)	(15,398)
Property, plant and equipment written off	542	-
Net addition of impairment losses on trade receivables	206,299	374,188
Interest expense	98,443	75,160
Income from placements in money market funds	(8,989)	-
Interest income	(281,698)	(57,774)
Gain on changes in fair value of money market funds	(236,893)	-
Gain on redemption of money market funds	(819)	-
Unrealised gain on foreign exchange	(110,074)	(220,122)
Operating profit before working capital changes	14,998,918	15,645,086
Increase in inventories	(12,515,082)	(3,811,950)
Increase in trade and other receivables	(21,009,136)	(29,787,541)
Increase in trade and other payables	2,509,809	7,412,243
Cash utilised in operations	(16,015,491)	(10,542,162)
Interest received	281,698	57,774
Interest paid	(98,443)	(75,160)
Tax paid	(3,328,830)	(3,357,145)
Net cash used in operating activities	(19,161,066)	(13,916,693)
Cash flows from investing activities		
Purchase of intangible assets	(5,998)	(199,044)
Purchase of property, plant and equipment	(1,035,720)	(1,279,771)
Proceeds from disposal of property, plant and equipment	167,600	15,400
Placements in money market funds	(308,989)	-
Net proceeds from redemption of money market funds	5,703,276	-
Income from placements in money market funds	8,989	-
Net cash from/(used in) investing activities	4,529,158	(1,463,415)

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Interim Financial Report for the Second Quarter Ended 30 June 2022**Condensed consolidated statement of cash flows (Cont'd)**

	Year-to-date ended	
	30.06.2022	30.06.2021
	Unaudited	Unaudited
	RM	RM
Cash flows from financing activities		
Bank borrowings obtained, net of repayment	10,297,000	7,000,000
Payments of lease liabilities	(420,430)	(424,328)
Dividend paid	(4,500,000)	(10,800,000)
Net cash from/(used in) financing activities	5,376,570	(4,224,328)
Net decrease in cash and cash equivalents	(9,255,338)	(19,604,436)
Effect of foreign exchange difference on cash and cash equivalents	4,365	2,614
Cash and cash equivalents at beginning of period	38,340,466	24,695,389
Cash and cash equivalents at end of period	29,089,493	5,093,567

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
	30.06.2022	30.06.2021
	RM	RM
Short-term deposits, cash and bank balances, as presented in the condensed consolidated statement of financial position	30,698,532	6,633,120
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	29,089,493	5,093,567

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.

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Interim Financial Report for the Second Quarter Ended 30 June 2022

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

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

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Interim Financial Report for the Second Quarter Ended 30 June 2022

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 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

The following dividends were paid during the current and previous corresponding financial year-to-date :-

	<u>30.06.2022</u>	<u>30.06.2021</u>
Type of dividend	Single-tier final dividend	First single-tier interim dividend
For financial year ended	31 December 2021	31 December 2021
Date approved and declared	3 June 2022	30 April 2021
Date paid	29 June 2022	3 May 2021
Amount of dividend per ordinary share	1.50 sen	Approximately 4.58 sen
Number of ordinary shares on which dividends were paid	300,000,000	235,569,000
Amount of dividend	<u>RM4,500,000</u>	<u>RM10,800,000</u>

Save as disclosed above, there were no other dividends paid or declared during the current quarter and financial year-to-date under review. Dividend proposed subsequent to the current quarter is disclosed in B14 below.

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Interim Financial Report for the Second Quarter Ended 30 June 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 RM0.17 million during the current quarter and RM1.04 million during 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	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM	RM	RM	RM
Manufacturing	28,483,429	29,219,579	55,708,010	56,418,924
Distribution	73,762,768	37,971,920	122,626,534	69,558,829
	<u>102,246,197</u>	<u>67,191,499</u>	<u>178,334,544</u>	<u>125,977,753</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	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM	RM	RM	RM
Malaysian customers	91,956,686	62,896,537	158,040,183	117,389,090
Overseas customers	10,289,511	4,294,962	20,294,361	8,588,663
	<u>102,246,197</u>	<u>67,191,499</u>	<u>178,334,544</u>	<u>125,977,753</u>

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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 30.06.2022 RM	As at 31.12.2021 RM
Level 2		
Financial assets at fair value through profit or loss - Placements in money market funds	21,714,909	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 Second Quarter Ended 30 June 2022**Part A : Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont'd)****A17. Capital commitments**

	As at 30.06.2022 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	10,381,703	9,843,296
Authorised but not contracted for :		
- Acquisition of property, plant and equipment	697,819	537,075
- Construction of a new factory building	30,065,215	30,065,215
	<u>30,763,034</u>	<u>30,602,290</u>

A18. Significant related party transactions

	Quarter ended		Year-to-date ended	
	30.06.2022 RM	30.06.2021 RM	30.06.2022 RM	30.06.2021 RM
Transactions with a company in which certain Directors of the Group have substantial financial interests :				
- Payments for leases	(240,000)	(240,000)	(480,000)	(480,000)
Transactions with companies in which a person connected to certain Directors of the Group has substantial financial interests :				
- Sales of goods	6,458,075	6,737,059	14,692,523	14,319,641
- Purchases of goods	(507,798)	(477,378)	(1,036,540)	(1,204,677)
- Rendering of services	(199,871)	(203,572)	(409,164)	(358,419)
Rental charged by a Director of the Company	(4,500)	(4,500)	(9,000)	(9,000)

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Interim Financial Report for the Second Quarter Ended 30 June 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	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	("Q2-2022")	("Q2-2021")		
	RM	RM	RM	RM
Revenue	102,246,197	67,191,499	178,334,544	125,977,753
Gross profit	14,906,511	13,237,820	26,885,833	26,141,549
Profit before taxation	8,009,321	7,906,054	14,430,952	14,524,174
Profit for the period	6,134,572	5,993,644	11,047,441	10,931,257

In the Q2-2022 and financial year-to-date under review, the Group recorded revenue of RM102.25 million, of which RM28.48 million or 27.86% was derived from its manufacturing activity while the distribution activity contributed the remaining RM73.76 million or 72.14%.

The Group recorded an increase in revenue to RM102.25 million in Q2-2022 as compared to RM67.19 million posted in the corresponding quarter Q2-2021. The increase was contributed mainly by higher sales of commodities, vitamin and minerals and feed additive.

The Group recorded a gross profit of RM14.91 million for Q2-2022 and RM26.89 million for financial year-to-date under review. In respect of the current quarter under review, the Group's manufacturing activity contributed RM7.48 million or 50.20% of the total gross profit while the remaining gross profit of RM7.42 million or 49.80% was contributed by its distribution activity.

The gross profit increased to RM26.89 million in Q2-2022 as compared to RM26.14 million posted in the corresponding quarter Q2-2021. Gross profit increased by RM0.74 million or 2.85% due to increase in sales in distribution activity.

The Group recorded profit before taxation of RM8.01 million for Q2-2022 and RM14.43 million for 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 Q2-2022 is RM0.10 million or 1.31% lower than the profit before taxation posted by the Group for Q2-2021. This was contributed mainly by the increase in selling and distribution costs which were RM1.63 million or 83.00% higher than Q2-2021. The increase in sales in distribution activity had resulted higher selling and distribution costs.

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Interim Financial Report for the Second Quarter Ended 30 June 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	
	30.06.2022 ("Q2-2022")	preceding quarter 31.03.2022 ("Q1-2022")	RM	%
	RM	RM		
Revenue	102,246,197	76,088,347	26,157,850	34.38
Gross profit	14,906,511	11,979,322	2,927,189	24.44
Selling and distribution costs	(3,591,154)	(2,348,565)	(1,242,589)	52.91
Administrative expenses	(3,694,643)	(3,313,638)	(381,005)	11.50
Profit before taxation	8,009,321	6,421,631	1,587,690	24.72

The Group's revenue for Q2-2022 increased by 34.38% to RM102.25 million from RM76.09 million recorded in Q1-2022. 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 1.16% from 15.74% in Q1-2022 to 14.58% in Q2-2022. The drop 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 increased by 24.72% to RM8.01 million from RM6.42 million recorded in Q1-2022 as a result of increase 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 to improve its product portfolio, the Group will also increase its research and development efforts. The business expansion plan is also supported by the construction of the Group's new manufacturing plant. As mentioned in the previous quarter, the construction of this plant was expected to be completed by the fourth quarter of 2023. However, in view of the current economic conditions and the raising costs of construction, the management has revised the expected date of completion to the fourth quarter of 2024. Nevertheless, the management will continuously monitor the situation and will commence the construction of the plant as soon as the management considered that the construction costs are reasonable in order to avoid over spending.

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.

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Interim Financial Report for the Second Quarter Ended 30 June 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	
	30.06.2022 RM	30.06.2021 RM	30.06.2022 RM	30.06.2021 RM
This includes the following items of income/(expense) :				
Interest income	150,707	15,468	281,698	57,774
Income from placements in money market funds	-	-	8,989	-
Gain on changes in fair value of money market funds	119,894	-	236,893	-
Gain on disposal of property, plant and equipment	132,998	-	167,597	15,398
Realised loss on foreign exchange	(98,796)	23,244	(125,771)	(90,248)
Unrealised gain on foreign exchange	108,406	9,038	110,074	220,122
Amortisation of intangible assets	(27,838)	(37,225)	(55,376)	(50,762)
Depreciation of property, plant and equipment	(306,045)	(247,871)	(588,186)	(496,613)
Depreciation of right-of-use assets	(212,595)	(208,741)	(425,190)	(417,483)
Net (additional)/reversal of impairment losses on trade receivables	(222,742)	20,147	(206,299)	(374,188)
Interest expense	(65,865)	(58,085)	(98,443)	(75,160)
Listing expenses	-	(657,734)	-	(657,734)
Property, plant and equipment written off	(542)	-	(542)	-

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	
	30.06.2022 RM	30.06.2021 RM	30.06.2022 RM	30.06.2021 RM
Current tax	1,892,400	1,820,000	3,453,700	3,500,000
Deferred tax (income)/expense resulting from origination and reversal of temporary differences	(17,651)	92,410	(70,189)	(29,971)
	1,874,749	1,912,410	3,383,511	3,470,029
Deferred tax under provided in prior year	-	-	-	122,888
	1,874,749	1,912,410	3,383,511	3,592,917
Effective tax rate (%)	23.41%	24.19%	23.45%	24.74%
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.

Yenher Holdings Berhad

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Interim Financial Report for the Second Quarter Ended 30 June 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 :

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Intended timeframe for utilisation from the date of listing
Details of the use of proceeds				
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	17,276	(567)	Within 36 months
Estimated listing expenses	3,800	3,233	567	Within 1 month [#]
Total	61,209	22,444	38,765	

[#] The balance of unutilised proceeds allocated for listing expenses had 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

	As at 30.06.2022 RM	As at 31.12.2021 RM
Bankers' acceptances	10,297,000	-

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 30 June 2022 was RM2.75 million (30.06.2021 : RM1.56 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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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	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Profit attributable to owners of the Company (RM)	6,134,572	5,993,644	11,047,441	10,931,257
Weighted average number of shares in issue	300,000,000	235,569,000	300,000,000	235,569,000
Basic and diluted EPS (Sen)	<u>2.04</u>	<u>2.54</u>	<u>3.68</u>	<u>4.64</u>

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

On 19 August 2022, the Directors of the Company declared an interim single-tier dividend of 1.50 sen per ordinary share amounting to RM4,500,000 for the financial year ending 31 December 2022. The date of entitlement for the dividend payment will be announced in due course.

By Order of the Board
Company Secretary
19 August 2022