

THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has conducted a limited review on Part A of the contents of this Circular/Statement in respect of the Proposed New Shareholders’ Mandate and has not peruse Part A of this Circular in respect of the Proposed Renewal of Shareholders’ Mandate and Part B of this Circular/Statement pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.



YENHER HOLDINGS BERHAD

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

PART A CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHAREHOLDERS’ MANDATE FOR YENHER HOLDINGS BERHAD TO PURCHASE UP TO 10% OF ITS TOTAL NUMBER OF ISSUED SHARES

The above proposals will be tabled as Special Businesses at the Fourth (4th) Annual General Meeting (“AGM”) of the Company to be held at Iconic 5, Level 7, Iconic Hotel, 71 Jalan Icon City, Icon City, 14000 Bukit Mertajam, Pulau Pinang on Friday, 14 June 2024 at 10.00 a.m. Notice convening the AGM and the Proxy Form of the Company are available at the Company’s website at <https://www.yenher.com.my>

If you decide to appoint a proxy or proxies for the AGM you must complete, sign and return the Proxy Form and lodge it at the Share Registrar of the Company, Securities Services (Holdings) Sdn Bhd at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Pulau Pinang not later than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last day and time for lodging the Proxy Form : Wednesday, 12 June 2024 at 10.00 a.m.
Date and time of AGM : Friday, 14 June 2024 at 10.00 a.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular :-

Act	:	The Companies Act 2016, or any statutory modification, amendment or re-enactment thereof for the time being in force
AGM	:	Annual General Meeting
Anher Farming	:	Anher Farming Sdn. Bhd.
Board	:	The board of directors of YHB and/or its subsidiaries
Bursa Securities or the Exchange	:	Bursa Malaysia Securities Berhad
CGH Holdings	:	CGH Holdings Sdn. Bhd.
Circular	:	This circular to shareholders of YHB dated [30 April 2024]
Code	:	Malaysian Code on Take-overs and Mergers, 2016 including the Rules on Take-overs, Mergers and compulsory Acquisitions and any amendments thereof that may be made from time to time
Director	:	Shall have the meaning given in Section 2 of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of YHB or any other company which is its subsidiary or holding company, or a chief executive of the company, its subsidiary or holding company; and "Directors" shall be construed accordingly
DS Breeder Farm	:	DS Breeder Farm Sdn. Bhd.
DS Poultry	:	DS Poultry Sdn. Bhd.
EPS	:	Earnings per Share
Johan Sejati	:	Johan Sejati Sdn. Bhd.
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities as modified, varied, supplemented or replaced from time to time and including any Practice Notes issued in relation thereto
LPD	:	31 March 2024, being the latest practicable date prior to the issue of this Circular
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company, where such person is the largest shareholder of the Company.

This includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of YHB as defined above or any other company which is a subsidiary or holding company of YHB.

For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act.

DEFINITIONS (con't)

- Mandate Period : The period during which the Recurrent Related Party Transactions are to be entered into for which the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate is being sought. This period shall commence immediately upon passing of the resolution in respect of the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate at the forthcoming AGM and shall continue to be in force until:
- (i) the conclusion of the next AGM; or
 - (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (iii) revoked or varied by resolution passed by the shareholders in general meeting
- whichever is the earlier.
- Market Day(s) : Any day(s) between Monday to Friday (inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities, which may include a Surprise Holiday (*a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year*).
- MTC Properties : MTC Properties (M) Sdn. Bhd.
- NA : Net assets
- Ni-On Marketing System : Ni-On Marketing System Sdn. Bhd.
- Person(s) Connected : in relation to a Director or a Major Shareholder (referred to as "said Person") means such person who falls under any one of the following categories:
- (a) a family member of the said Person, which family shall have the meaning given in Section 197 of the Act;
 - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
 - (c) a partner of the said Person;
 - (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (g) a body corporate which is a related corporation of the said Person.

DEFINITIONS (con't)

Perniagaan Muhibbah Ria	:	Perniagaan Muhibbah Ria Sdn. Bhd.
Proposed New Shareholders' Mandate	:	Proposed new shareholders' mandate for YHB Group to enter into Recurrent Related Party Transactions during the Mandate Period
Proposed Renewal of Shareholders' Mandate	:	Proposed renewal of existing shareholders' mandate for YHB Group to enter into Recurrent Related Party Transactions during the Mandate Period
Proposed Shareholders' Mandate	:	Collectively, the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for RRPTs
Proposed Share Buy-Back	:	Proposed shareholders' mandate for YHB to purchase up to 10% of its total number of issued shares
Purchased Shares	:	Shares which may be purchased by the Company pursuant to the Proposed Share Buy-Back
Recurrent Related Party Transactions or RRPT(s)	:	Related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for YHB Group's day to day operations and are in the ordinary course of business of the Group
Related Party(ies)	:	Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s) of YHB
Related Party Transaction	:	A transaction entered into by YHB Group which involves the interest, direct or indirect, of a Related Party
RM and sen	:	Ringgit Malaysia and sen respectively
Share(s)	:	Ordinary share(s) of YHB
Statement	:	This statement to shareholders of YHB dated 30 April 2024
Victory Potential	:	Victory Potential Sdn. Bhd.
Welcome Potential	:	Welcome Potential Sdn. Bhd.
Xun Ta Feed	:	Xun Ta Feed Sdn. Bhd.
YAPSB	:	Yenher Agro-Products Sdn. Bhd., a wholly owned subsidiary of YHB
YBSB	:	Yenher Biotech Sdn. Bhd., a wholly owned subsidiary of YHB
YHB or the Company	:	Yenher Holdings Berhad
YHB Group or the Group	:	YHB and its subsidiaries

For the purpose of this Circular and Statement, all references to a time of day shall be a reference to Malaysian time unless otherwise stated.

In this Circular, words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

References to "we", "us", "our" and "ourselves" are to our Company, and where the context otherwise requires, our subsidiaries. All reference to "you" are to our shareholders.

For ease of reading, certain figures in this Circular have been rounded. Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

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PART A

**CIRCULAR IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**



YENHER

YENHER HOLDINGS BERHAD

(Company No. 202001008388 (1364708-X))

(Incorporated in Malaysia under the Companies Act 2016)

Registered Office:

35, 1st Floor, Jalan Kelisa Emas 1,
Taman Kelisa Emas,
13700 Seberang Jaya, Pulau Pinang.

30 April 2024

Board of Directors:

Dato' Cheng Mooh Tat (Executive Chairman)
Cheng Mooh Kheng (Executive Director)
Datin Theoh Mooi Teng (Executive Director)
Tan Peng Lam (Independent Non-Executive Director)
Dato' Lim Choon Khim (Independent Non-Executive Director)
Dr. Ong Bee Lee (Independent Non-Executive Director)

To: The shareholders of Yenher Holdings Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

The Company had at its AGM held on 16 June 2023, obtained a shareholders' mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for day-to-day operations and are carried out in the ordinary course of business and on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public.

The existing shareholders' mandate shall in accordance with the Listing Requirements expire at the conclusion of the forthcoming AGM unless, by a resolution passed at the meeting, the authority is renewed.

On 1 April 2024, the Company had announced its intention to seek the shareholders' approval to renew the existing shareholders' mandate for RRPTs and Proposed New Shareholders' Mandate for new RRPTs pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming AGM.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM OF THE COMPANY. THE NOTICE OF AGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THE ANNUAL REPORT 2023.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS TOGETHER WITH THE APPENDICES OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Paragraph 10.09(2) of the Listing Requirements provides that a listed issuer may seek a mandate from its shareholders for related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements.
- (c) the circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder and the interested person, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer must immediately announce to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transactions disclosed in the circular to shareholders by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Proposed Shareholders' Mandate

The YHB Group has, in the ordinary course of its business, entered into certain RRPTs and it is anticipated that the companies within the YHB Group would, in the ordinary course of business, continue to enter into such transactions with the Related Parties, details of which are set out in Section 2.5. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Accordingly, the Board proposes to seek the Proposed Renewal of Shareholders' Mandate on those RRPTs entered into by YHB Group during the Mandate Period and the Proposed New Shareholders' Mandate for future RRPT(s) to be entered into during the Mandate Period.

These RRPT(s) which are necessary for the day-to-day operations of YHB Group, have been/will be based on normal commercial terms, at arms' length, and have been/will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

2.3 Validity period for the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM, will take effect from the date of the passing of the proposed ordinary resolution at the AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;

- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is the earlier.

Thereafter, the approval of the shareholders of the Company will be sought for the renewal of the shareholders' mandate at each subsequent AGM of the Company.

2.4 Principal activities of the Group

The principal activity of YHB is investment holding.

The principal activities of the subsidiary companies are as follows:-

Name of Subsidiary	Equity Interest (%)	Principal Activities
YAPSB	100	Manufacturing, supplying and marketing of animal health and nutrition products for livestock and companion animals.
YBSB	100	Manufacturing of animal feed ingredients and agricultural products using biotechnology and undertaking research and development activities in the related fields.

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2.5 Nature of the RRPTs and class of Related Parties

The nature of the RRPTs entered and/or to be entered into by the Group and the class of Related Parties under the Proposed Shareholders' Mandate are as follows:

Nature of RRPTs	Transacting parties		Related Parties	Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient			Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Sale of goods to Ni-On Marketing System ⁽¹⁾	YAPSB	Ni-On Marketing System	Cheng Mooh Lee ⁽³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽³⁾	16,000,000	4,697,165	10,000,000 ⁽⁷⁾
	YBSB	Ni-On Marketing System	Cheng Mooh Lee ⁽³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽³⁾	300,000	90,090	300,000 ⁽⁷⁾
Purchase of goods from Ni-On Marketing System ⁽¹⁾	Ni-On Marketing System	YAPSB	Cheng Mooh Lee ⁽³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽³⁾	600,000	537,959	1,000,000 ⁽⁷⁾
	Ni-On Marketing System	YBSB	Cheng Mooh Lee ⁽³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽³⁾	100,000	2,320	100,000 ⁽⁷⁾
Packaging and transportation costs charged by Ni-On Marketing System ⁽¹⁾	Ni-On Marketing System	YAPSB	Cheng Mooh Lee ⁽³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽³⁾	100,000	116,340	250,000 ⁽⁷⁾
	Ni-On Marketing System	YBSB	Cheng Mooh Lee ⁽³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽³⁾	50,000	-	20,000 ⁽⁷⁾

Nature of RRPTs	Transacting parties		Related Parties	Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient			Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Sale of goods to Perniagaan Muhibbah Ria ⁽¹⁾	YAPSB	Perniagaan Muhibbah Ria	Cheng Mooh Lee ⁽⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁴⁾	15,000,000	6,074,773	12,000,000 ⁽⁷⁾
	YBSB	Perniagaan Muhibbah Ria	Cheng Mooh Lee ⁽⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁴⁾	2,000,000	216,300	600,000 ⁽⁷⁾
Purchase of goods from Perniagaan Muhibbah Ria ⁽¹⁾	Perniagaan Muhibbah Ria	YAPSB	Cheng Mooh Lee ⁽⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁴⁾	500,000	202,985	500,000 ⁽⁷⁾
	Perniagaan Muhibbah Ria	YBSB	Cheng Mooh Lee ⁽⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁴⁾	100,000	-	100,000 ⁽⁷⁾
Packaging and transportation costs charged by Perniagaan Muhibbah Ria ⁽¹⁾	Perniagaan Muhibbah Ria	YAPSB	Cheng Mooh Lee ⁽⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁴⁾	50,000	221	20,000 ⁽⁷⁾
	Perniagaan Muhibbah Ria	YBSB	Cheng Mooh Lee ⁽⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁴⁾	50,000	-	20,000 ⁽⁷⁾

Nature of RRPTs	Transacting parties		Related Parties	Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient			Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Sale of goods to Xun Ta Feed ⁽¹⁾	YAPSB	Xun Ta Feed	Cheng Mooh Lee ⁽⁶⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	5,000,000	1,026,053	5,000,000 ⁽⁷⁾
	YBSB	Xun Ta Feed	Cheng Mooh Lee ⁽⁶⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	300,000	205,600	1,500,000 ⁽⁷⁾
Purchase of goods from Xun Ta Feed ⁽¹⁾	Xun Ta Feed	YAPSB	Cheng Mooh Lee ⁽⁶⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	1,000,000	473,156	1,000,000 ⁽⁷⁾
	Xun Ta Feed	YBSB	Cheng Mooh Lee ⁽⁶⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	50,000	-	50,000 ⁽⁷⁾
Packaging and transportation costs charged by Xun Ta Feed ⁽¹⁾	Xun Ta Feed	YAPSB	Cheng Mooh Lee ⁽⁶⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	50,000	26,023	100,000 ⁽⁷⁾
	Xun Ta Feed	YBSB	Cheng Mooh Lee ⁽⁶⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	50,000	-	50,000 ⁽⁷⁾

Nature of RRPTs	Transacting parties		Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient		Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Mixing charges charged by Xun Ta Feed ⁽¹⁾	Xun Ta Feed	YAPSB	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	1,000,000	634,007	1,500,000 ⁽⁷⁾
	Xun Ta Feed	YBSB	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	-	1,446	50,000 ⁽¹⁷⁾
Rental expenses for the tenancy of a double-storey office building with warehouse at No. 1, Lorong IKS Simpang Ampat E, Taman IKS Simpang Ampat, 14100 Simpang Ampat, Seberang Perai Selatan, Pulau Pinang	Welcome Potential ⁽²⁾	YAPSB	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	1,038,000	810,000	1,164,000 ⁽⁸⁾
	Welcome Potential ⁽²⁾	YBSB	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	84,000	63,000	84,360 ⁽⁹⁾

Nature of RRPTs	Transacting parties		Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient		Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Rental expenses for the tenancy of vacant space for storage of goods at No. 1, Lorong IKS Simpang Ampat E, Taman IKS Simpang Ampat, 14100 Simpang Ampat, Seberang Perai Selatan, Pulau Pinang	Welcome Potential ⁽²⁾	YAPSB	Cheng Mooh Tat, Cheng Mooh Chye, Kheng and Cheng Mooh Chye ⁽⁶⁾	17,100	12,600	18,000 ⁽¹⁰⁾
Rental expenses for the tenancy of a double-storey semi-detached house at No. 23, Lorong 12/SS1, Bandar Tasek Mutiara, 14120 Simpang Ampat, Seberang Perai Selatan, Pulau Pinang used as accommodation for staff.	Cheng Mooh Tat	YAPSB	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	18,000	13,500	18,000 ⁽¹¹⁾

Nature of RRPTs	Transacting parties		Related Parties	Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient			Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Rental expenses for renting of a double-storey bungalow house at 22, Lorong Alma Indah 8, Taman Alma Indah, 14000 Bukit Mertajam, Pulau Pinang used as accommodation for staff	Cheng Mooh Tat	YAPSB	Cheng Mooh Tat	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings	60,000	45,000	60,000 ⁽¹²⁾
Sale of goods to Anher Farming ⁽¹³⁾	YAPSB	Anher Farming	Cheng Leng Boon and Cheng Qin Boon ⁽¹³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽¹³⁾	5,000,000	2,775,145	6,000,000 ⁽⁷⁾
	YBSB	Anher Farming	Cheng Leng Boon and Cheng Qin Boon ⁽¹³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽¹³⁾	200,000	13,800	200,000 ⁽⁷⁾

Nature of RRPTs	Transacting parties		Related Parties	Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient			Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Purchase of goods from Anher Farming ⁽¹³⁾	Anher Farming	YAPSB	Cheng Leng Boon and Cheng Qin Boon ⁽¹³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Moo Chye, Theoh Mooi Teng and CGH Holdings ⁽¹³⁾	-	84,705	500,000 ⁽¹⁷⁾
	Anher Farming	YBSB	Cheng Leng Boon and Cheng Qin Boon ⁽¹³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Moo Chye, Theoh Mooi Teng and CGH Holdings ⁽¹³⁾	-	-	50,000 ⁽¹⁷⁾
Sale of packaging container to Anher Farming ⁽¹³⁾	YAPSB	Anher Farming	Cheng Leng Boon and Cheng Qin Boon ⁽¹³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Moo Chye, Theoh Mooi Teng and CGH Holdings ⁽¹³⁾	-	-	5,000 ⁽¹⁷⁾
	YBSB	Anher Farming	Cheng Leng Boon and Cheng Qin Boon ⁽¹³⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Moo Chye, Theoh Mooi Teng and CGH Holdings ⁽¹³⁾	-	350	5,000 ⁽¹⁷⁾
Sale of goods to Victory Potential ⁽²⁾	YAPSB	Victory Potential	Cheng Mooh Tat ⁽¹⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Moo Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁴⁾	-	-	10,000 ⁽¹⁷⁾
	YBSB	Victory Potential	Cheng Mooh Tat ⁽¹⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Moo Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁴⁾	-	65,300	300,000 ⁽¹⁷⁾

Nature of RRPTs	Transacting parties		Related Parties	Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient			Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Labour charge to Victory Potential ⁽²⁾	YAPSB	Victory Potential	Cheng Mooh Tat ⁽¹⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁴⁾	-	-	5,000 ⁽¹⁷⁾
	YBSB	Victory Potential	Cheng Mooh Tat ⁽¹⁴⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁴⁾	-	380	10,000 ⁽¹⁷⁾
Sale of goods to Johan Sejati ⁽²⁾	YAPSB	Johan Sejati	Cheng Mooh Tat ⁽¹⁵⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁵⁾	-	-	10,000 ⁽¹⁷⁾
	YBSB	Johan Sejati	Cheng Mooh Tat ⁽¹⁵⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁵⁾	-	53,600	100,000 ⁽¹⁷⁾
Labour charge to Johan Sejati ⁽²⁾	YAPSB	Johan Sejati	Cheng Mooh Tat ⁽¹⁵⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁵⁾	-	-	10,000 ⁽¹⁷⁾
	YBSB	Johan Sejati	Cheng Mooh Tat ⁽¹⁵⁾	Cheng Mooh Tat, Cheng Mooh Kheng, Cheng Mooh Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁵⁾	-	1,520	10,000 ⁽¹⁷⁾

Nature of RRPTs	Transacting parties		Related Parties	Interested Directors/Major Shareholders and persons connected	2023 Shareholders' Mandate		Proposed Shareholders' Mandate
	Provider	Recipient			Estimated value approved at the last AGM (RM)	Actual value transacted from the last AGM up to the LPD ⁽¹⁸⁾ (RM)	
Sale of goods to MTC Properties ⁽²⁾	YAPSB	MTC Properties	Cheng Mooh Tat, ⁽¹⁶⁾ MooH Tat ⁽¹⁶⁾	Cheng Mooh Tat, Cheng MooH Kheng, Cheng MooH Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁶⁾	-	-	10,000 ⁽¹⁷⁾
	YBSB	MTC Properties	Cheng MooH Tat ⁽¹⁶⁾	Cheng MooH Tat, Cheng MooH Kheng, Cheng MooH Chye, Theoh Mooi Teng and CGH Holdings ⁽¹⁶⁾	-	4,673	10,000 ⁽¹⁷⁾
Sales of goods to Welcome Potential ⁽²⁾	YAPSB	Welcome Potential	Cheng MooH Tat, MooH Tat, Cheng MooH Kheng, Cheng MooH Chye ⁽⁶⁾	Cheng MooH Tat, Cheng MooH Kheng, Cheng MooH Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	-	-	10,000 ⁽¹⁷⁾
	YBSB	Welcome Potential	Cheng MooH Tat, Cheng MooH Kheng, Cheng MooH Chye ⁽⁶⁾	Cheng MooH Tat, Cheng MooH Kheng, Cheng MooH Chye, Theoh Mooi Teng and CGH Holdings ⁽⁶⁾	-	5,820	50,000 ⁽¹⁷⁾

Notes

- (1) Ni-On Marketing System and Xun Ta Feed are feed millers. Perniagaan Muhibbah Ria, is a feed miller and poultry farm operator. Ni-On Marketing System, Perniagaan Muhibbah Ria, Xun Ta Feed are principally involved in the downstream segment of the livestock industry supply chain, unlike YHB Group which operates predominantly in the midstream segment of the livestock industry supply chain (i.e. manufacturing and distribution of animal health and nutrition products to customers such as farmers, feed millers and livestock integrators). For information purposes, the main products that feed millers like Ni-On Marketing System, Perniagaan Muhibbah Ria and Xun Ta Feed sell include complete feed and they purchase ingredients such as premixes, formulated products, biotech animal feed ingredients, feed additives and other raw materials from suppliers like YHB Group for their respective complete feed formulation.

The Group and the related parties have been and may continue to purchase these raw materials and commodities from one another if it is more cost effective to do so as compared to purchasing from other third-party suppliers, as the respective parties tend to benefit from economies of scale whenever they purchase such products in bulk. Notwithstanding the above, the transactions between YHB Group and the Related Parties were carried out on an arm's length basis and on normal commercial terms which are not detrimental to YHB Group nor our minority shareholders.
- (2) Welcome Potential, is involved in property investment and the cultivation of oil palm and durian plantations. Victory Potential and Johan Sejati, are engaged in the cultivation of oil palm plantation and related activities. MTC Properties, is an investment holding company. For informational purposes, YHB's subsidiary sells fertilizer to Welcome Potential, Victory Potential, Johan Sejati and MTC Properties. YHB also provides labour to Victory Potential and Johan Sejati for fertilizing the plantations.
- (3) Cheng Mooch Lee is a Director and major shareholder of Ni-On Marketing System who holds 45% direct interest in Ni-On Marketing System. He is the brother of Cheng Mooch Tat, Cheng Mooch Kheng and brother-in-law of Theoh Mooi Teng as well as the brother of Cheng Mooch Chye who is a director of YAPSB and YBSB and deemed to be a major shareholder of the Company through his interest in CGH Holdings pursuant to section 8 of the Act. As at LPD, Cheng Mooch Lee holds approximately 0.03% interest in YHB. Meanwhile, Ni-On Marketing System does not have any interest in YHB.
- (4) Cheng Mooch Lee is a Director and major shareholder of Perniagaan Muhibbah Ria who holds 19% direct interest in Perniagaan Muhibbah Ria. His relationships with the interested Directors and major shareholders of the Company are disclosed in Note (3) above. As at LPD, Perniagaan Muhibbah Ria holds approximately 0.65% direct interest in YHB.
- (5) Cheng Mooch Lee is a Director and major shareholder of Xun Ta Feed who holds 52.5% direct interest in Xun Ta Feed. His relationships with the interested Directors and major shareholders of the Company are disclosed in Note (3) above. As at LPD, Xun Ta Feed does not have any interest in YHB.
- (6) Cheng Mooch Tat, Cheng Mooch Kheng and Cheng Mooch Chye are Directors and major shareholders of Welcome Potential who individually hold 60%, 20% and 20% direct interest respectively in Welcome Potential. Cheng Mooch Chye is a Director of YAPSB and YBSB and he is the brother of Cheng Mooch Tat, Cheng Mooch Kheng and brother-in-law of Theoh Mooi Teng. Cheng Mooch Chye is deemed to be a major shareholder of the Company through his interest in CGH Holdings pursuant to section 8 of the Act.
- (7) The estimated value was arrived at based on historical records of the respective Recurrent Related Party Transactions and estimated volume of transactions. The value of these transactions may vary from the estimated value disclosed above depending on market conditions.
- (8) The estimated value was arrived at based on the monthly rental of RM97,000 pursuant to a tenancy agreement between Welcome Potential as landlord and YAPSB as tenant which tenancy will expire on 30 September 2025. The size of the rented premises is approximately 65,012 sq. ft.

- (9) The estimated value was arrived at based on the monthly rental of RM7,000 pursuant to a tenancy agreement between Welcome Potential as landlord and YBSB as tenant which tenancy will expire on 31 December 2024. The tenancy is expected to be renewed for another 1 years at the current market rate of RM7,060 effective from January 2025. The size of the rented premises is approximately 4,738 sq. ft
- (10) The estimated value was arrived at based on the monthly rental of RM1,500 between Welcome Potential as landlord and YAPSB as tenant which tenancy will expire on 30 September 2025. The vacant space is for the purpose of container fumigation according to the requirement of the Department of Agriculture. The size of the rented vacant space is approximately 4,800 sq. ft.
- (11) The estimated value was arrived at based on the monthly rental of RM1,500 pursuant to a tenancy agreement between Cheng Moooh Tat as landlord and YAPSB as tenant which tenancy will expire on 28 February 2026. The size of the rented premises is approximately 2,798 sq. ft
- (12) The estimated value was arrived at based on the estimated number of days and rooms rented at rental rate of RM120 per day per room or RM5,000 per month, whichever is lower, between Cheng Moooh Tat as landlord and YAPSB as tenant on ad hoc basis. The premise is used as accommodation for outstation staff when they attend activities at the Group's headquarters.
- (13) Cheng Leng Boon and Cheng Qin Boon are both Directors and major shareholders of Anher Farming, hold 60% and 20% direct interest respectively. They are the sons of Cheng Moooh Chye who is a director of YAPSB and YBSB and is deemed a major shareholder of the Company through his interest in CGH Holdings pursuant to section 8 of the Act . Cehgn Moooh Chye is also the brother of Cheng Moooh Tat, Cheng Moooh Kheng and the brother-in-law of Theoh Mooi Teng. The principal activity of Anher Farming is the raising, breeding and production of livestock and the selling of frozen meat. YHB's subsidiaries sell a variety of products, including premixes, commodities, grains, oil seeds, complete feeds, and etc to Anher Farming and purchase feed from Anher Farming. As at LPD, Cheng Leng Boon and Cheng Qin Boon hold approximately 0.60% and 0.03% direct interests respectively in YHB. Meanwhile, Anher Farming does not hold any interest in YHB.
- (14) Cheng Moooh Tat is a Director of Victory Potential who holds 34% direct interest in Victory Potential. He is the brother of Cheng Moooh Kheng and husband of Theoh Mooi Teng as well as the brother of Cheng Moooh Chye who is a director of YAPSB and YBSB and deemed to be a major shareholder of the Company through his interest in CGH Holdings pursuant to section 8 of the Act. As at LPD, Victory Potential does not have any interest in YHB.
- (15) Cheng Moooh Tat is a Director and major shareholder of Johan Sejati who holds 50% direct interest in Johan Sejati. His relationships with the interested Directors and major shareholders of the Company are disclosed in Note (14) above. As at LPD, Johan Sejati does not have any interest in YHB.
- (16) Cheng Moooh Tat is a Director and major shareholder of MTC Properties who holds 47% direct interest in MTC Properties. His relationships with the interested Directors and major shareholders of the Company are disclosed in Note (14) above. As at LPD, MTC Properties does not have any interest in YHB.
- (17) Denotes new Recurrent Related Party Transactions.
- (18) Actual value of Recurrent Related Party Transactions from the date of the existing shareholders' mandate obtained at the last AGM held on 16 June 2023 up to 31 March 2024 , being the latest practicable date before the printing of this Circular.
- (19) The next AGM will be held tentatively in June 2025.

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2.6 Review procedures for RRPTs

YHB Group has established the following review procedures, to supplement existing management procedures for general transactions, to ensure that RRPTs are undertaken on transaction prices on arm's length basis and are based on normal commercial terms consistent with the Group's usual business practices and policies, which are generally not more favourable to the Related Parties than those generally available to unrelated third parties and are not detrimental to the minority shareholders of YHB:

- (a) The definition of related party, list of related parties and the review procedures will be circulated and/or updated within the Group;
- (b) The duties and roles of the Audit and Risk Management Committee include the review of RRPTs;
- (c) Records will be maintained to record all RRPTs which are/will be entered into, which will be available for review by, among others, the auditors and Audit and Risk Management Committee, on a quarterly basis. Any member of the Audit and Risk Management Committee may as he deems fit, request for additional information pertaining to RRPTs from independent sources or advisers;
- (d) Where applicable, the terms of the pricing of the RRPTs will be consistent with the Group's usual business practices and policies and will take into consideration the terms and conditions, pricing, level of service and expertise required, quality, reliability and consistency of products and services as compared with the prevailing market rate of prices and general practices by other service providers of similar capacity and capability for the same or substantially similar type of products/services and/or quantities. At least 2 other contemporaneous transactions with unrelated third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by all related parties are fair and reasonable and comparable to those offered to/by unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on usual business practices and policies of the Group to ensure that the recurrent related party transactions are not detrimental to YHB or its Group;
- (e) The Audit and Risk Management Committee shall review procedures, and shall continue to review the established guidelines and procedures, on an annual basis and as and when required with the authority to subdelegate to individuals or committees within the Company as they deem appropriate;
- (f) The Audit and Risk Management Committee will report its findings to the Board for further action during the quarterly review. If the Audit and Risk Management Committee is of the view that the guidelines and procedures are not adhered to or are not sufficient to ensure that the RRPTs are carried on normal commercial terms and/or the RRPTs are deemed detrimental to the minority shareholders of the Company, the Audit and Risk Management Committee will:-
 - firstly, discuss and ascertain whether it is the guideline or procedure which is at fault or whether it is the fault of the person(s) delegated with the task of ensuring compliance or otherwise; and
 - secondly, if the fault is the person rather than the guideline or procedure, appropriate action will be taken against the person connected. If the defect lies with the guideline or procedure, then the Audit and Risk Management Committee will modify, supplement or replace as may be required, the relevant guideline or procedure and report such modification, supplemental or replacement to the Board;
- (g) Where any Director or person connected to him or the Audit and Risk Management Committee has an interest (direct and indirect) in any related party transactions or RRPTs, he will abstain from voting on any matter relating to any decision making by the Board or the Audit and Risk Management Committee in respect of the such transactions; and
- (h) There is no threshold for approval for RRPT as all RRPTs will be reviewed by the Audit and Risk Management Committee and approved by the Board of Directors.

2.7 Amount due from and owing by Related Parties pursuant to the RRPTs

The amounts due and owing by the Related Parties pursuant to the RRPTs that have exceeded the credit terms as at the financial year ended 31 December 2023 are as follows : -

Provider	Recipient	Principal sum (RM)	Late Payment Interest (RM)	Amount due which exceeded the credit term (RM)
				≤ 1 year
YAPSB	Anher Farming	665,531	-	82,224
YBSB	Anher Farming	1,450	-	-
YAPSB	Ni-On Marketing	1,559,560	-	-
YBSB	Ni-On Marketing	11,850	-	-
YAPSB	Perniagaan Muhibbah Ria	2,662,468	-	514,100
YBSB	Perniagaan Muhibbah Ria	71,700	-	23,900
YAPSB	Xun Ta Feed	189,538	-	56,367
YBSB	Xun Ta Feed	33,150	-	6,250
	Total	5,195,247		682,841

For information purposes, majority of the amount of RM682,841 exceeded the credit period for less than 120 days. No late payment interests were charged on the amounts due which exceeded the credit term as flexibility was given to the parties who have been dealing with the Group for more than 9 years and have maintained good relationship and payment record with the Group. The Company will closely monitor and follow up on the outstanding debts. Customers are still making continuous payment every month. The overdue amounts are recoverable on the following month and there are no recoverability issues occur. As at the LPD, all the above amounts due which exceeded the credit term by the Related Parties have already been settled by the Related Parties.

2.8 Disclosure in Annual Report

Disclosure will be made in the Company's annual report on the breakdown of the aggregate value of the RRPTs made during the financial year, amongst others, based on the following information:

- (a) the type of RRPT made; and
- (b) the names of the Related Parties involved in each type of the RRPT and their relationship with the Group.

2.9 Statement by Audit and Risk Management Committee

The Audit and Risk Management Committee of the Company has seen and reviewed the procedures mentioned in Section 2.6 above and is satisfied that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner as well as to ensure that the RRPTs are carried out:

- (a) on terms not more favourable to the Related Parties than those generally available to the public;
- (b) at arm's length basis and on the Group's normal commercial terms; and

(c) not detrimental to the minority shareholders of the Company.

The Audit and Risk Management Committee reviews the procedures in Section 2.6 periodically, as and when the need arises.

The Audit and Risk Management Committee is also of the view that the above procedures in Section 2.6 are sufficient to ensure that the RRPTs are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The RRPTs as set out in Sections 2.5 of this Circular entered into or to be entered into by the YHB Group are recurring transactions of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business of the YHB Group. These transactions are likely to occur with some degree of frequency and could arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPTs.

The Proposed Shareholders' Mandate is intended to facilitate the RRPTs. The obtaining of your mandate on an annual basis would eliminate the need to make regular announcements to Bursa Securities and to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPTs with the Related Parties arise. This would substantially reduce administrative time, inconvenience and expenses in making announcements and convening such meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to the YHB Group.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any material effect on the share capital, shareholdings of the substantial shareholders, earnings and net assets of YHB Group.

5. APPROVAL REQUIRED

The Proposed Shareholders' Mandate are subject to approval being obtained from the shareholders of YHB at the forthcoming AGM of the Company.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The direct and/or indirect shareholdings in YHB of the interested directors, major shareholders and persons connected to them as at LPD are as follows:-

	No. of ordinary shares held in YHB			
	Direct	%	Indirect	%
Interested Director and major shareholders of YHB				
Dato' Cheng Mooh Tat	22,500,000	7.50	135,563,300 ⁽¹⁾	45.19
Cheng Mooh Kheng	10,500,000	3.50	135,222,000 ⁽²⁾	45.07
Datin Theoh Mooi Teng	2,244,900	0.75	563,300 ⁽³⁾	0.19
Interested major shareholders of YHB				
CGH Holdings	135,000,000	45.00	-	-
Cheng Mooh Chye	10,500,000	3.50	136,924,900 ⁽¹⁾	45.64

The direct and/or indirect shareholdings in YHB of other directors and persons connected to them as at LPD are as follows:-

	No. of ordinary shares held in YHB			
	Direct	%	Indirect	%
Other Directors of YHB				
Tan Peng Lam	100,000	0.03	300,000 ⁽⁴⁾	0.10
Dato' Lim Choon Khim	100,000	0.03	-	-
Dr. Ong Bee Lee	-	-	-	-

Notes:

- (1) Deemed interested by virtue of his interest in CGH Holdings and through the shareholding of his children pursuant to Sections 8 and 59(11)(c) of the Act.
- (2) Deemed interested by virtue of his interest in CGH Holdings and through the shareholding of his spouse pursuant to Section 8 and Section 59(11)(c) of the Act.
- (3) Deemed interested through the shareholding of her children pursuant to Section 59(11)(c) of the Act.
- (4) Deemed interested through the shareholding of his spouse pursuant to Section 59(11)(c) of the Act.

Save as disclosed above, there is no other Major Shareholder in YHB.

The interested Directors, namely, Dato' Cheng Mooh Tat, Cheng Mooh Kheng and Datin Theoh Mooi Teng have abstained and shall continue to abstain from all Board deliberations and voting on the resolution. They will also abstain from voting in respect of their direct and/or indirect shareholdings in YHB, on the resolution, deliberating or approving the Proposed Shareholders' Mandate at the forthcoming AGM.

The interested Major Shareholders, namely, CGH Holdings and Cheng Mooh Chye will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders' Mandate at the forthcoming AGM.

In addition, the interested Directors and Major Shareholders have undertaken that they will ensure that Persons Connected to them as defined in the Listing Requirements will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders' Mandate at the forthcoming AGM.

Save as disclosed herein, none of the other Directors, Major Shareholder and/or Persons Connected with the Directors or Major Shareholder as defined in the Listing Requirements have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

7. DIRECTORS' RECOMMENDATION

The Board (save for Dato' Cheng Mooh Tat, Cheng Mooh Kheng and Datin Theoh Mooi Teng) who are deemed interested in the Proposed Shareholders' Mandate as mentioned in Section 6 above and have abstained from forming an opinion) is of the opinion that the Proposed Shareholders' Mandate are fair, reasonable and in the best interests of the Company's shareholders and the Group.

With the exception of Dato' Cheng Mooh Tat, Cheng Mooh Kheng and Datin Theoh Mooi Teng who are deemed interested in the Proposed Shareholders' Mandate as mentioned in Section 6 above and have therefore refrained from making any recommendation in respect of the resolution, your Directors recommend that you vote in favour of the ordinary resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

8. ANNUAL GENERAL MEETING

The notice dated 30 April 2024 convening the Fourth AGM of the Company to, inter alia, consider and if thought fit, pass with or without modifications, the ordinary resolution on the Proposed Shareholders' Mandate together with the Proxy Form are available at the Company's website at <https://www.yenher.com.my>. The AGM will be held at Iconic 5, Level 7, Iconic Hotel, 71 Jalan Icon City, Icon City, 14000 Bukit Mertajam, Pulau Pinang on Friday, 14 June 2024 at 10.00 a.m..

If you are unable to attend and vote in person at the AGM, you may complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Share Registrar of the Company, Securities Services (Holdings) Sdn Bhd at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Pulau Pinang not less than 48 hours before the time fixed for the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I and II of this Circular and Statement for further information.

Yours faithfully
For and on behalf of the Board
YENHER HOLDINGS BERHAD

Dato' Cheng Mooh Tat
Non-Independent Executive Chairman

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PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE
PROPOSED SHAREHOLDERS' MANDATE FOR YENHER HOLDINGS BERHAD TO
PURCHASE UP TO 10% OF ITS TOTAL NUMBER OF ISSUED SHARES**



YENHER

YENHER HOLDINGS BERHAD

(Company No. 202001008388 (1364708-X))

(Incorporated in Malaysia under the Companies Act 2016)

Registered Office:

35, 1st Floor, Jalan Kelisa Emas 1,
Taman Kelisa Emas,
13700 Seberang Jaya, Pulau Pinang.

30 April 2024

Board of Directors:

Dato' Cheng Mooh Tat (Executive Chairman)
Cheng Mooh Kheng (Executive Director)
Datin Theoh Mooi Teng (Executive Director)
Tan Peng Lam (Independent Non-Executive Director)
Dato' Lim Choon Khim (Independent Non-Executive Director)
Dr. Ong Bee Lee (Independent Non-Executive Director)

To: The shareholders of Yenher Holdings Berhad

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK

1. INTRODUCTION

On 1 April 2024, YHB announced that the Company proposed to seek shareholders' approval for the proposed purchase by the Company of its own Shares of up to ten percent (10%) of the total number of issued Shares of the Company at the forthcoming Fourth AGM of the Company.

The purpose of this Statement is to provide you with the relevant information in relation to the Proposed Share Buy-Back, to set out your Board's recommendation thereon and to seek your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming Fourth AGM of the Company.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS TOGETHER WITH THE APPENDICES OF THIS STATEMENT BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AT THE FORTHCOMING AGM.

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2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Quantum

The Company proposes to seek the approval from its shareholders to purchase its own Shares of up to a maximum of ten percent (10%) of the total number of issued shares of the Company at any point in time subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities.

As at LPD, the issued capital of the Company was RM177,429,501 comprising of 300,000,000 Shares. As an illustration, based on the total number of issued Shares as at LPD, the maximum number of Shares that can be purchased by the Company will be 30,000,000 Shares.

In the event the Company resell, distribute or cancel all or part of the treasury shares, the Company may further purchase such additional number of Shares provided that the total number of Purchased Shares, including Shares held as treasury shares then, does not exceed 10% of the total number of issued shares of the Company at the time of such purchase.

2.2 Duration of mandate

The approval from the shareholders for the Proposed Share Buy-Back will be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming Fourth AGM and will continue to be in force until -

- (a) the conclusion of the next AGM of the Company at which such shareholders' mandate for Proposed Share Buy-Back was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first.

2.3 Funding

Paragraph 12.10 of the Listing Requirements stipulates that a listed issuer must ensure that the proposed purchase of its own shares is made wholly out of retained profits of the listed issuer. Accordingly, the maximum amount of funds to be utilised by the Company for the Proposed Share Buy-Back will not exceed the Company's retained profits. Based on the Company's latest audited financial statements as at 31 December 2023, the retained profits of the Company stood at RM147,845,476 as at that date.

The funding of the Proposed Share Buy-back will be from internally generated funds and/or external borrowings, the proportion of which to be utilised will depend on the actual number of Shares to be purchased, the price of the Shares and the availability of funds of the Group at the time of purchase. In the event that borrowings are used for the Proposed Share Buy-Back, the amount of borrowings will depend on the amount of Shares to be purchased by the Company and the appropriate borrowing capacity of the Group. The Board will ensure that the Group will have sufficient funds to repay the external borrowings and interest expense and that the repayment of such borrowings would not have any material effect on the cash flow of the Group.

The actual number of Shares to be purchased, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on the market conditions and sentiments of the stock market, the available financial resources of the Group and the financial resources available to the Group. Based on the audited consolidated financial statements as at 31 December 2023, the Group has a cash and cash equivalent balance of RM37,455,786 as at that date.

2.4 Treatment of the Purchased Shares

The Shares purchased by the Company may be dealt with by the Board in accordance with Section 127 of the Act, in the following manner:-

- (a) to cancel the Shares so purchased; or
- (b) to retain the Shares so purchased as treasury shares; or
- (c) to retain part of the Shares so purchased as treasury shares and cancel the remainder.

Where any of the Purchased Shares are held as treasury shares, the Board may –

- (a) distribute the Shares as dividends to shareholders;
- (b) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the Shares or any of the Shares for the purpose of or under an employees' share scheme;
- (d) transfer the Shares or any of the Shares as purchase consideration;
- (e) cancel the Shares or any of the Shares; or
- (f) sell, transfer or otherwise use the Shares for such other purposes as the minister charged with the responsibility for companies may by order prescribe.

The Company may have the opportunity to realise gains if Purchased Shares which are held as treasury shares are resold on Bursa Securities at a price higher than the purchase price. The decision whether to retain the Purchased Shares as treasury shares, to cancel the Shares purchased, to utilise the Purchased Shares for other permitted purposes or any combination thereof, will be made by the Board at the appropriate time.

While the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution or otherwise will be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on the resolution at a meeting.

2.5 Pricing

The purchase by the Company of its own Shares will be carried out through Bursa Securities through one or more appointed stockbrokers.

Pursuant to the Listing Requirements, the Company may only purchase its own shares at a price which is not more than fifteen percent (15%) above the weighted average market price of YHB Shares for the past five (5) Market Days immediately preceding the date of the purchase(s).

In the case of resale of the treasury shares, the Company may only resell the Purchased Shares held as treasury shares on Bursa Securities at a price which is:-

- (a) not less than the weighted average market price of the Shares for the past five (5) Market Days immediately preceding the date of resale; or
- (b) not less than 5% below the weighted average market price of the Shares for the past five (5) Market Days immediately preceding the date of resale provided that :-
 - (i) the resale take place no earlier than 30 days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the Shares being resold.

3. RATIONALE AND POTENTIAL ADVANTAGES AND DISADVANTAGES FOR THE PROPOSED SHARE BUY-BACK

3.1 Rationale

The Proposed Share Buy-Back would enable the Company to purchase its own Shares from the open market to capitalise on market inefficiencies and to act in the best interest of the Company. The Proposed Share Buy-Back, if implemented, may stabilise the supply and demand of YHB Shares, which may subsequently have a favourable effect on the market price for YHB Shares.

3.2 Potential advantages and disadvantages

The potential advantages of the Proposed Share Buy-Back to the Company and its shareholders are:

- (a) It may allow the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the market price of the Shares and hence, enhance investors' confidence;
- (b) If the Purchased Shares are cancelled, the EPS of YHB Shares will be enhanced and shareholders may enjoy an increase in the value of their investment in YHB; and
- (c) If the Purchased Shares are held as treasury shares, it will provide the Board with an option to sell the Purchased Shares at a higher price than their purchase price and realise an exceptional gain for the Company. Alternatively, the Purchased Shares may be distributed to shareholders as share dividends and serve as a reward to the shareholders of the Company.

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are:-

- (a) It will reduce the financial resources of the Group and may result in the Group forgoing better investment opportunities that may emerge in the future;
- (b) As the Proposed Share Buy-Back will be made out of retained earnings of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future; and
- (c) The Proposed Share Buy-Back may deprive the Group of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back. If the Proposed Share Buy-Back is financed through bank borrowings, the Group will have to service interest obligations.

4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The financial effects of the Proposed Share Buy-Back are as follows:-

4.1 Share Capital

The effects of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

If the Purchased Shares are retained as treasury shares, resold or distributed to the shareholders, the Proposed Share Buy-Back will not have any effect on the issued and paid up share capital of the Company.

In the event that the Proposed Share Buy-Back is carried out and the Purchased Shares are cancelled, the issued and paid-up share capital of the Company will be reduced by the number of Purchased Shares so cancelled.

Strictly for illustrative purposes only, based on the assumption that the Proposed Share Buy-Back is carried out in full and all the Purchased Shares are cancelled, the effect of the Proposed Share Buy-Back are as follows:

	No. of Shares
Total number of issued Shares as at LPD	300,000,000
Cancellation of Purchased Shares ⁽¹⁾	(30,000,000)
Total number of issued Shares after the Proposed Share Buy-Back and cancellation of Purchased Shares	270,000,000

Note:

(1) Assuming that the total number of Purchased Shares is based on the maximum 10% of the total number of issued Shares of the Company and all Purchased Shares are cancelled.

4.2 NA and NA per Share

The effect of the Proposed Share Buy-Back on the NA and NA per Share of the Group will depend on treatment of the Purchased Shares, the purchase prices of the Shares, the number of Shares purchased and the effective cost of funding to the Group to finance the purchase of Shares or any loss in interest income to the Group.

If all the Purchased Shares are cancelled, the Proposed Share Buy-Back will reduce the NA per Share of the Group if the purchase price per Share exceeds the NA per Share at the time of the purchase, and vice versa.

The NA of the Group will decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and to be offset against equity, resulting in a decrease in the NA of the Group by the cost of the treasury shares.

In the event the treasury shares are resold on Bursa Securities, the NA per Share of the Group will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA per Share of the Group will decrease by the cost of the treasury shares.

4.3 Working capital

The Proposed Share Buy-Back will reduce the working capital of the Group, the quantum of which will depend on the prices at which the Purchased Shares are purchased and the number of Shares purchased.

If Purchased Shares which are kept as treasury shares are resold, the working capital of the Group will increase upon the receipt of the proceeds of the resale. The quantum of such increase will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

4.4 EPS

The effects of the Proposed Share Buy-Back on the EPS of the Group will depend on the purchase price(s) of the Shares, the number of Shares purchased and the effective funding cost to the Group. The effective reduction in the total number of issued Shares of the Company pursuant to the Proposed Share Buy-Back will, generally, all else being equal, have a positive impact on the EPS of the Group.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The effects of the Proposed Share Buy-Back on the Directors' and substantial shareholders' shareholding based on the Company's Register of Directors and Register of Substantial Shareholders as at LPD, assuming the Proposed Share Buy-back is implemented in full and the Shares are purchased from shareholders other than the Directors and substantial shareholders, are as follows:

Directors	As at LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Cheng Mook Tat	22,500,000	7.50	135,563,300 ⁽¹⁾	45.19	22,500,000	8.33	135,563,300 ⁽¹⁾	50.21
Cheng Mook Kheng	10,500,000	3.50	135,222,000 ⁽²⁾	45.07	10,500,000	3.89	135,222,000 ⁽²⁾	50.08
Datin Theoh Mool Teng	2,244,900	0.75	563,300 ⁽³⁾	0.19	2,244,900	0.83	563,300 ⁽³⁾	0.21
Tan Peng Lam	100,000	0.03	300,000 ⁽⁴⁾	0.10	100,000	0.04	300,000 ⁽⁴⁾	0.11
Dato' Lim Choon Khim	100,000	0.03	-	-	100,000	0.04	-	-
Dr. Ong Bee Lee	-	-	-	-	-	-	-	-

Substantial shareholders	As at LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
CGH Holdings	135,000,000	45.00	-	-	135,000,000	50.00	-	-
Dato' Cheng Mook Tat	22,500,000	7.50	135,563,300 ⁽¹⁾	45.19	22,500,000	8.33	135,563,300 ⁽¹⁾	50.21
Cheng Mook Kheng	10,500,000	3.50	135,222,000 ⁽²⁾	45.07	10,500,000	3.89	135,222,000 ⁽²⁾	50.08
Cheng Mook Chye	10,500,000	3.50	136,924,900 ⁽¹⁾	45.64	10,500,000	3.89	136,924,900 ⁽¹⁾	50.71

Notes:

⁽¹⁾ Deemed interested by virtue of his interest in CGH Holdings and through the shareholding of his children pursuant to Sections 8 and 59(11)(c) of the Act.

⁽²⁾ Deemed interested by virtue of his interest in CGH Holdings and through the shareholding of his spouse pursuant to Sections 8 and 59(11)(c) of the Act.

⁽³⁾ Deemed interested through the shareholding of her children pursuant to Section 59(11)(c) of the Act.

⁽⁴⁾ Deemed interested through the shareholding of his spouse pursuant to Section 59(11)(c) of the Act.

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6. IMPLICATIONS RELATING TO THE CODE

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code for any of its substantial shareholders and/or parties acting in concert with them, Our Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered.

Nonetheless, if the obligation to undertake a mandatory general offer under the Code is expected to be triggered, the substantial shareholders and their respective parties acting in concert will apply for an exemption from the Securities Commission Malaysia.

7. PURCHASES, RESALE OR CANCELLATION OF SHARES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

As the Company does not have an existing mandate to purchase its own shares, it has not purchased any of its own Shares during the financial year ended 31 December 2023. Consequently, there were no retention, resale or cancellation of treasury shares during the said period.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of YHB Shares as traded on the Main Market of Bursa Securities for the last 12 months from April 2023 to March 2024 are as follows:

	High RM	Low RM
2023		
April	1.0100	0.9150
May	0.9650	0.9200
June	0.9550	0.9100
July	0.9400	0.8800
August	0.9000	0.8350
September	0.9850	0.8300
October	0.9000	0.8550
November	0.8700	0.8300
December	0.8750	0.8250
2024		
January	0.8950	0.8250
February	0.9050	0.8550
March	0.8800	0.8700

(Source: Yahoo Finance)

The last transacted price of YHB Shares on the LPD was RM0.8700.

9. PUBLIC SHAREHOLDING SPREAD

As at LPD, the Record of Depositors of YHB showed that 300,000,000 shares representing approximately 38.68% of the issued and paid-up share capital were held by 1,699 public shareholders holding not less than 100 Shares. The Board undertakes that the Proposed Share Buy-Back will be conducted in accordance with the laws and regulations prevailing at the time of the purchase including compliance with the 25% public shareholding spread as required by the Listing Requirements.

10. APPROVAL REQUIRED

The Proposed Share Buy-Back is conditional upon the approval of the shareholders of YHB being obtained at the forthcoming Fourth AGM of the Company.

11. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the consequential increase in the percentage shareholdings and/or voting rights of the shareholders of YHB as a result of the Proposed Share Buy-Back, none of the Directors and/or major shareholders and/or persons connected with the Directors or major shareholders of YHB have any interest, direct or indirect, in the Proposed Share Buy-Back or the resale of treasury shares (if any).

12. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and its shareholders. Accordingly, your Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming Fourth AGM of the Company.

13. ANNUAL GENERAL MEETING

The notice dated 30 April 2024 convening the Fourth AGM of the Company to, inter alia, consider and if thought fit, pass with or without modifications, the ordinary resolution on the Proposed Share Buy-Back together with the Proxy Form are available at the Company's website at <https://www.yenher.com.my>. The AGM will be held at Iconic 5, Level 7, Iconic Hotel, 71 Jalan Icon City, Icon City, 14000 Bukit Mertajam, Pulau Pinang on Friday, 14 June 2024 at 10.00 a.m.

If you are unable to attend and vote in person at the AGM, you may complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Share Registrar of the Company, Securities Services (Holdings) Sdn Bhd at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Pulau Pinang not less than 48 hours before the time fixed for the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

14. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I and III of this Circular and Statement for further information.

Yours faithfully
For and on behalf of the Board
YENHER HOLDINGS BERHAD

Dato' Cheng Mooh Tat
Non-Independent Executive Chairman

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APPENDIX I

GENERAL INFORMATION

1. DIRECTORS' RESPONSIBILITY

This Circular and Statement have been seen and approved by the Directors of YHB and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and Statement and confirm that after making all reasonable enquiries, to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

As at the date of this Circular and Statement, YHB Group is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and the Directors of YHB are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the YHB Group.

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, YHB Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) for the past two (2) years preceding the date of this Circular:

- (i) Tenancy Agreement dated 28 September 2018 between Welcome Potential as landlord and YAPSB as tenant in respect of the letting of the premises known as a double-storey office building with warehouse at No. 1, Lorong IKS Simpang Ampat E, Taman IKS Simpang Ampat, 14100 Simpang Ampat, Seberang Perai Selatan, Pulau Pinang for a period of 2 years commencing on 1 October 2018 and expiring on 30 September 2021 for RM76,000 per month. The tenancy has been further renewed for a period of 2 years commencing from 1 October 2021 to 30 September 2023 via an Extension of Tenancy Agreement dated 1 October 2021 at the same rate of rental. The tenancy has been further renewed for a period of 2 years commencing from 1 October 2023 to 30 September 2025 via an Extension of Tenancy Agreement dated 29 September 2023 at monthly rental of RM97,000;
- (ii) Tenancy Agreement dated 1 September 2022 between Welcome Potential as landlord and YBSB as tenant in respect of the letting of the premises known as a double-storey office building with warehouse at No. 1, Lorong IKS Simpang Ampat E, Taman IKS Simpang Ampat, 14100 Simpang Ampat, Seberang Perai Selatan, Pulau Pinang for a period of 2 1/4 years commencing on 1 September 2022 and expiring on 31 December 2024 for RM7,000 per month; and
- (iii) Tenancy Agreement dated 28 February 2021 between Dato' Cheng Mooh Tat as landlord and YAPSB as tenant in respect of the letting of the premises known as a double-storey semi-detached house at No. 23, Lorong 12/SS1, Bandar Tasek Mutiara, 14120 Simpang Ampat, Seberang Perai Selatan, Pulau Pinang for a period of 3 years commencing on 1 March 2021 and expiring on 29 February 2024 for RM1,500 per month. The tenancy has been further renewed for a period of 2 years commencing from 1 March 2024 and expiring on 29 February 2026 via an Extension of Tenancy Agreement dated 28 February 2024 at the same rate of rental.

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4. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection during normal office hours from Monday to Friday (except public holidays) at the registered office of the Company at 35, 1st Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Pulau Pinang from the date of this Circular and Statement up to and including the date of the forthcoming AGM:-

- (i) Constitution of YHB;
- (ii) The audited financial statements of YHB and its subsidiary companies for the past 2 financial years ended 31 December 2022 and 2023; and
- (iii) The Material Contracts referred to in Section 3 of the Appendix I of this Circular and Statement.

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APPENDIX II

EXTRACT OF RESOLUTION IN RESPECT OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The following is an extract of the resolution to be passed at the forthcoming Fourth AGM of YHB which will be held at Iconic 5, Level 7, Iconic Hotel, 71 Jalan Icon City, Icon City, 14000 Bukit Mertajam, Pulau Pinang on Friday, 14 June 2024 at a.m. in respect of the Proposed Shareholders' Mandate :-

SPECIAL BUSINESS

Ordinary Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

“THAT approval be and is hereby given to the Company and its subsidiary(ies) (“**Group**”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the specified classes of related parties as specified in Section 2.5 of the Circular to Shareholders dated 30 April 2024, provided that:

- (a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:
 - (i) the related transacting parties and their respective relationship with the Company; and
 - (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting (“**AGM**”) of the Company, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as they may consider necessary or expedient to give effect to transactions contemplated and/or authorised by this Ordinary Resolution.”

APPENDIX III

EXTRACT OF RESOLUTION IN RESPECT OF THE PROPOSED SHARE BUY-BACK

The following is an extract of the resolution to be passed at the forthcoming Fourth AGM of YHB which will be held at Iconic 5, Level 7, Iconic Hotel, 71 Jalan Icon City, Icon City, 14000 Bukit Mertajam, Pulau Pinang on Friday, 14 June 2024 at 10.00 a.m. in respect of the Proposed Share Buy-Back :-

SPECIAL BUSINESS

Ordinary Resolution 8 – Proposed purchase by the Company of its own Shares of up to ten percent (10%) of its total number of issued shares (“Proposed Share Buy-Back”)

“THAT, subject to the Companies Act, 2016 (“**Act**”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares (“**Shares**”) in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors of the Company may deem fit and expedient in the best interest of the Company provided that :-

- (a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company as treasury Shares shall not exceed ten percent (10%) of the total number of its issued Shares at any point in time; and
- (b) The maximum funds to be allocated by the Company for the purpose of purchasing its own Shares shall not exceed the total available retained profits of the Company based on its latest audited financial statements available up to the date of the transaction.

THAT, upon the purchase by the Company of its own Shares, the Directors are authorised to retain the Shares so purchased as treasury Shares or cancel the Shares so purchased or retain part of the Shares so purchased as treasury Shares and cancel the remainder. The Directors are further authorised to distribute the treasury Shares as dividends to the shareholders of the Company and/or resell the Shares on the Bursa Securities in accordance with the relevant rules of the Bursa Securities or subsequently cancel the treasury Shares or any combination thereof.

THAT the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“**AGM**”) at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as they may consider necessary or expedient to implement and give effect to the Proposed Share Buy-Back.”