



YENHER

YENHER HOLDINGS BERHAD

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

**Interim Financial Report
For The Fourth Quarter Ended
31 December 2024**

27 February 2025

Yenher Holdings Berhad

(Registration No. 202001008388 (1364708-X))

(Incorporated in Malaysia)

Interim Financial Report for the Fourth Quarter Ended 31 December 2024

Condensed consolidated statement of financial position

| | As at 31.12.2024 | As at 31.12.2023 |
|--|---------------------------|---------------------------|
| | Unaudited RM | Audited RM |
| Assets | | |
| Non-current Assets | | |
| Property, plant and equipment | 113,566,457 | 70,546,843 |
| Intangible assets | 2,960,907 | 260,731 |
| | <u>116,527,364</u> | <u>70,807,574</u> |
| Current Assets | | |
| Inventories | 42,003,165 | 45,425,414 |
| Trade and other receivables | 66,709,709 | 70,572,836 |
| Tax recoverable | 121,133 | 671,862 |
| Placements in money market funds | 45,546,773 | 45,190,924 |
| Short-term deposits, cash and bank balances | 18,571,694 | 37,455,786 |
| | <u>172,952,474</u> | <u>199,316,822</u> |
| Total Assets | <u>289,479,838</u> | <u>270,124,396</u> |
| Equity and Liabilities | | |
| Equity | | |
| Share capital | 177,429,501 | 177,429,501 |
| Merger deficit | (115,534,500) | (115,534,500) |
| Exchange translation reserve | 48,243 | (7,686) |
| Revaluation reserve | 33,802,450 | 25,495,306 |
| Retained profits | 160,469,287 | 147,845,476 |
| | <u>256,214,981</u> | <u>235,228,097</u> |
| Equity attributable to owners of the Company | 256,214,981 | 235,228,097 |
| Non-controlling interests | 150,766 | - |
| Total Equity | <u>256,365,747</u> | <u>235,228,097</u> |
| Non-current Liabilities | | |
| Deferred tax liabilities | 4,262,345 | 3,277,882 |
| Lease liabilities | 857,031 | 1,956,218 |
| | <u>5,119,376</u> | <u>5,234,100</u> |
| Current Liabilities | | |
| Lease liabilities | 1,119,879 | 1,070,621 |
| Trade and other payables | 26,850,830 | 28,441,789 |
| Tax payable | 24,006 | 149,789 |
| | <u>27,994,715</u> | <u>29,662,199</u> |
| Total Liabilities | <u>33,114,091</u> | <u>34,896,299</u> |
| Total Equity and Liabilities | <u>289,479,838</u> | <u>270,124,396</u> |
| Number of ordinary shares in issue | 300,000,000 | 300,000,000 |
| Net assets per share of the Company (RM) | <u>0.85</u> | <u>0.78</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 2023 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 Fourth Quarter Ended 31 December 2024**Condensed consolidated statement of profit or loss and other comprehensive income**

| | Note | Quarter ended | | Financial year ended | |
|--|------|-------------------|-------------------|----------------------|-------------------|
| | | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| | | Unaudited RM | Unaudited RM | Unaudited RM | Audited RM |
| Revenue | A11 | 62,228,625 | 73,193,626 | 272,753,584 | 320,420,664 |
| Cost of sales | | (48,389,966) | (60,415,495) | (219,543,441) | (271,723,231) |
| Gross profit | | 13,838,659 | 12,778,131 | 53,210,143 | 48,697,433 |
| Other income | | 944,735 | 504,997 | 3,196,907 | 3,311,368 |
| Selling and distribution costs | | (2,866,344) | (3,101,620) | (11,604,274) | (9,975,232) |
| Administrative expenses | | (2,866,450) | (3,488,541) | (15,920,565) | (14,138,631) |
| Reversal of impairment losses on trade receivables | | 244,308 | 181,543 | 184,874 | 181,543 |
| Research and development costs | | (55,656) | (91,579) | (315,599) | (439,715) |
| Other expenses | | (37,116) | (30,156) | (171,560) | (172,862) |
| Operating profit | | 9,202,136 | 6,752,775 | 28,579,926 | 27,463,904 |
| Finance costs | | (53,191) | (35,751) | (142,673) | (68,078) |
| Profit before taxation | B5 | 9,148,945 | 6,717,024 | 28,437,253 | 27,395,826 |
| Taxation | B6 | (2,240,080) | (1,585,735) | (6,896,997) | (6,178,155) |
| Profit for the period/year | | 6,908,865 | 5,131,289 | 21,540,256 | 21,217,671 |
| Other comprehensive income, net of tax | | | | | |
| <i>Item that will not be reclassified subsequently to profit or loss :</i> | | | | | |
| - Revaluation of land and buildings | | 8,341,465 | 8,340,087 | 8,341,465 | 8,350,647 |
| <i>Item that will be reclassified subsequently to profit or loss :</i> | | | | | |
| - Exchange (loss)/gain on translation of foreign operation | | (26,904) | (14,083) | 55,929 | (23,287) |
| Total other comprehensive income for the period/year | | 8,314,561 | 8,326,004 | 8,397,394 | 8,327,360 |
| Total comprehensive income for the period/year | | 15,223,426 | 13,457,293 | 29,937,650 | 29,545,031 |
| (Loss)/Profit for the period/year attributable to : | | | | | |
| Non-controlling interests | | (49,234) | - | (49,234) | - |
| Owners of the Company | | 6,958,099 | 5,131,289 | 21,589,490 | 21,217,671 |
| | | 6,908,865 | 5,131,289 | 21,540,256 | 21,217,671 |
| Total comprehensive (loss)/income for the period/year attributable to : | | | | | |
| Non-controlling interests | | (49,234) | - | (49,234) | - |
| Owners of the Company | | 15,272,660 | 13,457,293 | 29,986,884 | 29,545,031 |
| | | 15,223,426 | 13,457,293 | 29,937,650 | 29,545,031 |
| Earnings per share attributable to ordinary equity holders of the Company | | | | | |
| Basic and diluted (Sen) | B12 | 2.32 | 1.71 | 7.20 | 7.07 |
| Weighted average number of ordinary shares in issue | B12 | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |

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 2023 and the accompanying explanatory notes attached to this interim financial report.

Yenher Holdings Berhad

(Registration No. 202001008388 (1364708-X))

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Interim Financial Report for the Fourth Quarter Ended 31 December 2024

Condensed consolidated statement of changes in equity

| | Attributable to owners of the Company | | | | | | Non-controlling interests RM | Total equity RM |
|--|---------------------------------------|----------------------|------------------------------------|---------------------------|------------------------|--------------------|---------------------------------|--------------------|
| | Non-distributable | | | Distributable | | | | |
| | Share capital RM | Merger deficit RM | Exchange translation reserve RM | Revaluation reserve RM | Retained profits RM | Total RM | | |
| Financial year ended 31 December 2024 (Unaudited) | | | | | | | | |
| Balance as at 1 January 2024 | 177,429,501 | (115,534,500) | (7,686) | 25,495,306 | 147,845,476 | 235,228,097 | - | 235,228,097 |
| Profit for the year | - | - | - | - | 21,589,490 | 21,589,490 | (49,234) | 21,540,256 |
| Surplus on revaluation of land and buildings, net of attributable deferred tax | - | - | - | 8,341,465 | - | 8,341,465 | - | 8,341,465 |
| Exchange gain on translation of foreign operation | - | - | 55,929 | - | - | 55,929 | - | 55,929 |
| Total comprehensive income for the year | - | - | 55,929 | 8,341,465 | 21,589,490 | 29,986,884 | (49,234) | 29,937,650 |
| Transfer of revaluation surplus on land and buildings | - | - | - | (34,321) | 34,321 | - | - | - |
| Non-controlling interests on incorporation of a subsidiary | - | - | - | - | - | - | 200,000 | 200,000 |
| Dividends paid (Note A8) | - | - | - | - | (9,000,000) | (9,000,000) | - | (9,000,000) |
| Balance as at 31 December 2024 | 177,429,501 | (115,534,500) | 48,243 | 33,802,450 | 160,469,287 | 256,214,981 | 150,766 | 256,365,747 |
| Financial year ended 31 December 2023 (Audited) | | | | | | | | |
| Balance as at 1 January 2023 | 177,429,501 | (115,534,500) | 15,601 | 17,253,097 | 135,519,367 | 214,683,066 | - | 214,683,066 |
| Profit for the year | - | - | - | - | 21,217,671 | 21,217,671 | - | 21,217,671 |
| Surplus on revaluation of land and buildings, net of attributable deferred tax | - | - | - | 8,350,647 | - | 8,350,647 | - | 8,350,647 |
| Exchange loss on translation of foreign operation | - | - | (23,287) | - | - | (23,287) | - | (23,287) |
| Total comprehensive income for the year | - | - | (23,287) | 8,350,647 | 21,217,671 | 29,545,031 | - | 29,545,031 |
| Transfer of revaluation surplus on land and buildings | - | - | - | (108,438) | 108,438 | - | - | - |
| Dividends paid (Note A8) | - | - | - | - | (9,000,000) | (9,000,000) | - | (9,000,000) |
| Balance as at 31 December 2023 | 177,429,501 | (115,534,500) | (7,686) | 25,495,306 | 147,845,476 | 235,228,097 | - | 235,228,097 |

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 2023 and the accompanying explanatory notes attached to this interim financial report.

Yenher Holdings Berhad

(Registration No. 202001008388 (1364708-X))

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Interim Financial Report for the Fourth Quarter Ended 31 December 2024**Condensed consolidated statement of cash flows**

| | Financial year ended | |
|---|-------------------------------|-----------------------------|
| | 31.12.2024 Unaudited RM | 31.12.2023 Audited RM |
| Cash flows from operating activities | | |
| Profit before taxation | 28,437,253 | 27,395,826 |
| <i>Adjustments for :-</i> | | |
| Amortisation of intangible assets | 126,256 | 120,546 |
| Depreciation of property, plant and equipment | 1,437,531 | 1,443,879 |
| Depreciation of right-of-use assets | 1,105,424 | 962,035 |
| Gain on changes in fair value of money market funds | (865,747) | (500,925) |
| Gain on redemption of money market funds | (63,299) | (18,280) |
| Gain on disposal of property, plant and equipment | (111,127) | (252,089) |
| Income from placements in money market funds | (1,151,578) | (114,021) |
| Interest income | (294,125) | (1,733,266) |
| Interest expense | 142,673 | 68,078 |
| Reversal of inventories written down/inventories written down | (44,758) | 762,806 |
| Property, plant and equipment written off | 5,575 | 2,109 |
| Reversal of impairment losses on trade receivables | (184,874) | (181,543) |
| Reversal of revaluation decrease of property, plant and equipment | (18,072) | (46,941) |
| Unrealised (gain)/loss on foreign exchange | (245,889) | 26,673 |
| Operating profit before working capital changes | 28,275,243 | 27,934,887 |
| Decrease/(Increase) in inventories | 3,515,091 | (7,121,088) |
| Decrease in trade and other receivables | 2,349,550 | 21,877,911 |
| Increase in trade and other payables | 353,156 | 4,743,708 |
| Cash generated from operations | 34,493,040 | 47,435,418 |
| Interest received | 294,125 | 1,733,266 |
| Interest paid | (142,673) | (68,078) |
| Tax paid | (6,402,222) | (7,066,585) |
| Net cash from operating activities | 28,242,270 | 42,034,021 |
| Cash flows from investing activities | | |
| Acquisitions of intangible assets | (2,826,432) | - |
| Acquisitions of property, plant and equipment | (36,344,271) | (13,262,562) |
| Proceeds from disposal of property, plant and equipment | 186,200 | 252,092 |
| Net redemption/(placement in) money market funds | 573,198 | (7,879,613) |
| Income from placements in money market funds | 1,126,803 | 107,348 |
| Net cash used in investing activities | (37,284,502) | (20,782,735) |

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Interim Financial Report for the Fourth Quarter Ended 31 December 2024**Condensed consolidated statement of cash flows (Cont'd)**

| | Financial year ended | |
|---|--------------------------|--------------------------|
| | 31.12.2024 | 31.12.2023 |
| | Unaudited | Audited |
| | RM | RM |
| Cash flows from financing activities | | |
| Decrease/(Increase) in short-term deposits pledged as security | 370,679 | (7,529) |
| Repayment of bank borrowings | - | (1,000,000) |
| Payments of lease liabilities | (1,049,929) | (940,658) |
| Proceeds from issue of new ordinary shares to non-controlling interests | 200,000 | - |
| Dividends paid | (9,000,000) | (9,000,000) |
| Net cash used in financing activities | <u>(9,479,250)</u> | <u>(10,948,187)</u> |
| Net (decrease)/increase in cash and cash equivalents | (18,521,482) | 10,303,099 |
| Effect of foreign exchange difference on cash and cash equivalents | 8,069 | (10,242) |
| Cash and cash equivalents at beginning of year | 37,085,107 | 26,792,250 |
| Cash and cash equivalents at end of year | <u>18,571,694</u> | <u>37,085,107</u> |

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

| | As at | As at |
|---|-------------------|-------------------|
| | 31.12.2024 | 31.12.2023 |
| | RM | RM |
| Short-term deposits, cash and bank balances, as presented in the condensed consolidated statement of financial position | 18,571,694 | 37,455,786 |
| Less : Short-term deposits pledged as security | - | (370,679) |
| Cash and cash equivalents, as presented in the condensed consolidated statement of cash flows | <u>18,571,694</u> | <u>37,085,107</u> |

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 2023 and the accompanying explanatory notes attached to this interim financial report.

Yenher Holdings Berhad

(Registration No. 202001008388 (1364708-X))

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Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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 2023 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 2023, 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-to-date under review :

Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback

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

Amendments to MFRS 107 and MFRS 7 - Supplier Finance Arrangements

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 MFRSs and Amendments to MFRSs that are in issue but not yet effective

The Group has not early adopted the following new MFRSs 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 2025

Amendments to MFRS 121 - Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7 :

- Amendments to the Classification and Measurement of Financial Instruments
- Contracts Referencing Nature-dependent Electricity

Annual Improvements to MFRS Accounting Standards - Volume 11 :

- Amendments to MFRS 1 *First-time Adoption of Malaysia Financial Reporting Standards*
- Amendments to MFRS 7 *Financial Instruments : Disclosures and Guidance on Implementing MFRS 7*
- Amendments to MFRS 9 *Financial Instruments*
- Amendments to MFRS 10 *Consolidated Financial Statements*
- Amendments to MFRS 107 *Statement of Cash Flows*

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Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

134 Interim Financial Reporting (Cont'd)

A2. Significant accounting policies (Cont'd)

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

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

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 19 *Subsidiaries without Public Accountability : Disclosures*

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

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

The Group will apply the above new MFRSs 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 2023.

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.

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

A8. Dividends paid

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

| | Year-to-date ended | |
|--|--------------------|------------------|
| | 31.12.2024 | 31.12.2023 |
| | RM | RM |
| For the financial year ended 31 December 2024 | | |
| First single-tier interim dividend of 1.50 sen per ordinary share, declared on 23 August 2024 and paid on 11 October 2024 | 4,500,000 | - |
| For the financial year ended 31 December 2023 | | |
| First single-tier interim dividend of 1.50 sen per ordinary share, declared on 30 August 2023 and paid on 6 October 2023 | - | 4,500,000 |
| Second single-tier interim dividend of 1.50 sen per ordinary share, declared on 26 February 2024 and paid on 5 April 2024 | 4,500,000 | - |
| For the financial year ended 31 December 2022 | | |
| Second single-tier interim dividend of 1.50 sen per ordinary share, declared on 27 February 2023 and paid on 31 March 2023 | - | 4,500,000 |
| | <u>9,000,000</u> | <u>9,000,000</u> |

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

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

The Group acquired PPE amounting to RM18.35 million during the current quarter and RM36.34 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.

On 31 December 2024, the Group performed a revaluation exercise on its land and buildings which resulted in an additional net revaluation surplus of approximately RM9.28 million, before deferred tax impact. There were no other valuations of PPE during the current quarter and financial year under review.

In addition to PPE, the Group has also made payment for a licensing fee as further explained Note A14 below.

A10. Impairment losses

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

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Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

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 | | Financial year ended | |
|---------------|-------------------|-------------------|----------------------|--------------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| | RM | RM | RM | RM |
| Manufacturing | 28,067,806 | 25,076,097 | 112,436,147 | 100,216,629 |
| Distribution | 34,160,819 | 48,117,529 | 160,317,437 | 220,204,035 |
| | <u>62,228,625</u> | <u>73,193,626</u> | <u>272,753,584</u> | <u>320,420,664</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 | | Financial year ended | |
|---------------------|-------------------|-------------------|----------------------|--------------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| | RM | RM | RM | RM |
| Malaysian customers | 53,452,831 | 59,552,365 | 228,567,750 | 280,681,802 |
| Overseas customers | 8,775,794 | 13,641,261 | 44,185,834 | 39,738,862 |
| | <u>62,228,625</u> | <u>73,193,626</u> | <u>272,753,584</u> | <u>320,420,664</u> |

A13. Material events subsequent to the end of reporting period

As announced on Bursa Malaysia Securities Berhad on 26 January 2025, a fire broke out at about 4.10 a.m. on 25 January 2025 at the silo and surrounding area of the factory premises of the Company's wholly-owned subsidiary, namely Yenher Agro-Products Sdn Bhd ("YHA"). The source of ignition was resistance heating of electrical wires contained in electrical trunking located at the silo that resulted in localised heating until it triggered a fire and had affected YHA's production line. Nevertheless, the incident did not cause any injuries or casualties nor did it result in any uncontrollable emissions. Insurance claims on the affected equipment and inventories have been submitted and they are currently being assessed by the insurer. The management estimated that the total carrying amount of the affected equipment and inventories to be at RM68,480 and RM1.78 million respectively.

Save as disclosed above, there was no other material event subsequent to the end of the current quarter up to the date of this interim financial report.

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Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

A14. Changes in the composition of the Group

On 13 September 2024, the Company entered into a Business Cooperation and Shareholders' Agreement ("the Cooperation Agreement") with FermentationExperts A/S ("FE"), a company incorporated and registered in Denmark. Pursuant to the Cooperation Agreement, YH European Protein Asia Sdn. Bhd. ("YHEPA") was incorporated on 20 September 2024 to undertake the activities to manufacture, market and sell series of plant proteins and fermented palm kernel meal under the brand European Protein ("the Products") in South East Asia and Taiwan for livestock and aquaculture. The Company holds 60% equity interest in YHEPA and the remaining 40% is held by FE. The salient features of the Cooperation Agreement are set in the announcement made by the Company on Bursa Malaysia Securities Berhad on 13 September 2024.

On 16 October 2024, YHEPA and FE entered into a Patents and Know-How License Agreement whereby FE grants YHEPA an exclusive license under FE's Patents and Know-How to (i) manufacture the Products; and (ii) distribute, market and sell the Products in South East Asia and Taiwan, for a one-off licensing fee of USD2 million payable in three tranches and royalties of EUR11 per tonne produced. During the current quarter under review, a first payment for the licensing fee amounted to USD666,000 (equivalent to RM2,757,906) has been paid and recognised as intangible asset in the statement of financial position. As at the date of this interim financial report, YHEPA has yet to commence any of the activities outlined in the Cooperation Agreement.

Other than as disclosed above, there were no changes in the composition of the Group during the current quarter and financial year-to-date under review.

A15. Fair value of financial instruments

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

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

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

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

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

| | As at 31.12.2024 RM | As at 31.12.2023 RM |
|---|---------------------------|---------------------------|
| Level 1 | | |
| Financial assets at fair value through profit or loss - Placements in money market unit trust funds | 45,546,773 | 45,190,924 |

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

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

A16. Contingent liabilities and contingent assets

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

A17. Capital commitments

| | As at 31.12.2024 RM | As at 31.12.2023 RM |
|--|---------------------------|---------------------------|
| Authorised and contracted capital expenditure not provided for in the financial statements : | | |
| - Acquisition of property, plant and equipment | 21,054,450 | 13,439,962 |
| - Construction of a new factory building | 15,782,350 | 24,604,573 |
| - Patents and Know-How licensing fee (Note A14) | 5,962,980 | - |
| | <u>42,799,780</u> | <u>38,044,535</u> |
| Authorised but not contracted for : | | |
| - Acquisition of property, plant and equipment | <u>5,100,000</u> | <u>9,000,000</u> |

A18. Significant related party transactions

| | Quarter ended | | Financial year ended | |
|---|------------------|------------------|----------------------|------------------|
| | 31.12.2024 RM | 31.12.2023 RM | 31.12.2024 RM | 31.12.2023 RM |
| Transactions with a company in which certain Directors of the Group have substantial financial interests : | | | | |
| - Payments for leases | (316,500) | (316,500) | (1,266,000) | (1,074,300) |
| Transactions with companies in which persons connected to certain Directors of the Group have substantial financial interests : | | | | |
| - Sales of goods | 4,050,099 | 4,500,314 | 16,339,443 | 23,761,425 |
| - Purchases of goods | (220,416) | (555,182) | (1,047,547) | (1,292,763) |
| - Rendering of services | (340,015) | (309,919) | (1,075,410) | (766,482) |
| Rental charged by a Director of the Company | <u>(17,060)</u> | <u>(19,500)</u> | <u>(75,560)</u> | <u>(78,000)</u> |

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

B1. Performance review

| | Current quarter performance | | | |
|------------------------|---------------------------------|---------------------------------|----------------------------|----------|
| | Quarter ended | | Changes | |
| | 31.12.2024 ("Q4-2024") RM | 31.12.2023 ("Q4-2023") RM | Q4-2024 vs Q4-2023 RM % | |
| Revenue | 62,228,625 | 73,193,626 | (10,965,001) | (14.98%) |
| Gross profit | 13,838,659 | 12,778,131 | 1,060,528 | 8.30% |
| Profit before taxation | 9,148,945 | 6,717,024 | 2,431,921 | 36.21% |
| Profit for the period | 6,908,865 | 5,131,289 | 1,777,576 | 34.64% |

| | Financial year-to-date performance | | | |
|------------------------|------------------------------------|---------------------------------|----------------------------|----------|
| | Financial year ended | | Changes | |
| | 31.12.2024 ("YTD2024") RM | 31.12.2023 ("YTD2023") RM | YTD2024 vs YTD2023 RM % | |
| Revenue | 272,753,584 | 320,420,664 | (47,667,080) | (14.88%) |
| Gross profit | 53,210,143 | 48,697,433 | 4,512,710 | 9.27% |
| Profit before taxation | 28,437,253 | 27,395,826 | 1,041,427 | 3.80% |
| Profit for the year | 21,540,256 | 21,217,671 | 322,585 | 1.52% |

In Q4-2024, the Group recorded a total revenue of RM62.23 million which is RM10.97 million or 14.98% lower than the revenue recorded in Q4-2023 at RM73.19 million. Whereas for YTD2024, the Group recorded a total revenue of RM272.75 million which is RM47.67 million or 14.88% lower than the YTD2023 revenue of RM320.42 million. The decline in revenue was driven by the decline in sales of grain and oil seeds under the distribution activity. Revenue from the business activities of the Group is disclosed in Note A11 above.

The Group registered a gross profit of RM13.84 million for Q4-2024 which is an increase of RM1.06 million or 8.30% from Q4-2023's gross profit. The increase in gross profit for Q4-2024 was contributed by the manufacturing activity where it has recorded RM7.37 million or 53.27% of the total gross profit. It posted RM1.45 million or 24.46% higher than the gross profit for Q4-2023 at RM5.92 million. The remaining gross profit for Q4-2024 of RM6.47 million or 46.73% was contributed by the distribution activity. It posted 5.67% lower than the gross profit for Q4-2023 of RM6.85 million.

In respect of YTD2024, the Group registered a gross profit of RM53.21 million which is an increase of RM4.51 million or 9.27% as compared to YTD2023. The manufacturing activity registered a gross profit of RM29.77 million or 55.96% of the Group's YTD2024 gross profit. This represents an increase of RM3.61 million or 13.81% from the YTD2023 manufacturing gross profit of RM26.16 million. The distribution activity contributed RM23.44 million or 44.04% of the Group's YTD2024 gross profit, an increase of RM0.90 million or 3.99% as compared to YTD2023 of RM22.54 million.

The Group recorded RM9.15 million of profit before taxation for Q4-2024 which is RM2.43 million or 36.21% higher than the profit before taxation for Q4-2023. The Group's YTD2024 profit before taxation is RM1.04 million or 3.80% higher than the YTD2023 profit before taxation at RM27.40 million. The higher profit before taxation was attributable to higher gross profit.

The Group's profit after taxation for Q4-2024 is RM1.78 million or 34.64% higher than Q4-2023 at RM5.13 million. Whereas its YTD2024 profit after taxation of RM21.54 million is RM0.32 million or 1.52% higher than the YTD2023's profit after taxation at RM21.22 million.

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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 preceding quarter | Changes | |
|--------------------------------|---------------------------|-----------------------------|-------------|----------|
| | 31.12.2024 ("Q4-2024") | 30.09.2024 ("Q3-2024") | RM | % |
| | RM | RM | | |
| Revenue | 62,228,625 | 72,212,850 | (9,984,225) | (13.83%) |
| Gross profit | 13,838,659 | 14,163,643 | (324,984) | (2.29%) |
| Other income | 944,735 | 597,860 | 346,875 | 58.02% |
| Selling and distribution costs | (2,866,344) | (3,229,544) | 363,200 | (11.25%) |
| Administrative expenses | (2,866,450) | (5,376,698) | 2,510,248 | (46.69%) |
| Profit before taxation | 9,148,945 | 5,885,788 | 3,263,157 | 55.44% |

The Group's revenue for Q4-2024 is RM9.98 million or 13.83% lower than the revenue recorded in Q3-2024. The decrease was contributed mainly by the distribution activity where its revenue has declined by RM9.32 million or 21.44% from RM43.48 million in Q3-2024 to RM34.16 million in Q4-2024.

The Group's gross profit margin increased by 2.62 percentage point from 19.61% in Q3-2024 to 22.24% in Q4-2024.

The profit before taxation for Q4-2024 is RM3.26 million or 55.44% higher than the Q3-2024 profit before taxation of RM5.89 million due to unrealised loss in foreign exchange amounted to RM1.27 million suffered by the Group in the preceding quarter.

B3. Prospect of the Group for the financial year ending 31 December 2025

Looking at the consumer and market responses, we anticipate an encouraging recovery in the country's livestock industry in this year. While challenges remain in the swine sector due to the African Swine Fever outbreak, there is a growing optimism backed by the gradual improvement in disease control strategies and market conditions.

In the poultry sector, rising consumer demands and improved supply conditions are further contributing to the positive outlook as production efficiency enhances supply stability. Our Group remains committed to playing a pivotal role in this recovery, leveraging our expertise and product offerings to help bolster the poultry sector's resilience and growth trajectory.

In response to this encouraging outlook, the management has re-evaluated the Group's expansion plans and added feedmill machinery as part of the Group's new GMP plant which is currently under construction. With this new addition to the Group's business expansion strategy, the construction of the new plant is now expected to be completed in December 2025. The management is closely monitoring the construction progress ensuring that the expected timeline is well met.

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Interim Financial Report for the Fourth Quarter Ended 31 December 2024**Part B : Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (Cont'd)****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.

B5. Profit before taxation

| | Quarter ended | | Financial year ended | |
|---|---------------|------------|----------------------|-------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| | RM | RM | RM | RM |
| This includes the following items of income/ (expense) : | | | | |
| Interest income | 70,004 | 388,159 | 294,125 | 1,733,266 |
| Income from placements in money market funds | 213,529 | 90,185 | 1,151,578 | 114,021 |
| Gain on changes in fair value of money market funds | 204,308 | 196,378 | 865,747 | 500,925 |
| Gain on redemption of money market funds | 47,983 | - | 63,299 | 18,280 |
| Gain on disposal of property, plant and equipment | 73,998 | - | 111,127 | 252,089 |
| Realised (loss)/gain on foreign exchange | (429,723) | 248,059 | (949,154) | 490,056 |
| Unrealised gain/(loss) on foreign exchange | 1,414,532 | (451,854) | 245,889 | (26,673) |
| Reversal of revaluation decrease on property, plant and equipment | 18,072 | 46,941 | 18,072 | 46,941 |
| Reversal of write-down/(Write-down) in value of inventories | 494,758 | (312,806) | 44,758 | (762,806) |
| Amortisation of intangible assets | (33,562) | (30,136) | (126,256) | (120,546) |
| Depreciation of property, plant and equipment | (348,613) | (384,971) | (1,437,531) | (1,443,879) |
| Depreciation of right-of-use assets | (276,893) | (275,973) | (1,105,424) | (962,035) |
| Reversal of impairment losses on trade receivables | 244,308 | 75,796 | 184,874 | 181,543 |
| Interest expense | (53,191) | (35,751) | (142,673) | (68,078) |
| Property, plant and equipment written off | - | - | (5,575) | (2,109) |

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.

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

B6. Taxation

| | Quarter ended | | Financial year ended | |
|---|---------------|------------|----------------------|------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| | RM | RM | RM | RM |
| Current tax | 1,862,512 | 1,663,264 | 6,846,857 | 6,241,889 |
| Deferred tax resulting from origination and reversal of temporary differences | (15,550) | (94,986) | 53,220 | (1,957) |
| | 1,846,962 | 1,568,278 | 6,900,077 | 6,239,932 |
| Under/(Over) provided in prior year : | | | | |
| - Income tax | - | (82,483) | 5,085 | (82,483) |
| - Deferred tax | 393,118 | 3,473 | (8,165) | 3,473 |
| | 2,240,080 | 1,489,268 | 6,896,997 | 6,160,922 |
| Effective tax rate (%) | 24.48% | 22.17% | 24.25% | 22.49% |
| 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 higher than the statutory tax rate mainly due to higher expenses not allowable for tax purposes.

B7. Status of corporate proposals

At an extraordinary general meeting held on 30 July 2024, its shareholders had approved the Company's proposed bonus issue of up to 60,000,000 free warrants ("the Warrants") on the basis of 1 Warrant for every 5 existing ordinary shares in the Company held by the entitled shareholders on 13 August 2024. The Board has fixed the exercise price of the Warrants at RM 1.10 per Warrant. The Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 August 2024.

Save as disclosed above, there was no other corporate proposal announced by the Company during the financial period under review to date.

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

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 | 31,000 | - | Within 48 months |
| Purchase of new machinery and equipment | 9,700 | 9,700 | - | Within 48 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 | 61,209 | - | |

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

The Group does not have any 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 and European Union Euro. The notional principal amount of the Group's outstanding forward foreign exchange contracts as at 31 December 2024 in was RM3.48 million (31.12.2023 : RM2.37 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.

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.

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

B12. Earnings per share ("EPS")

| | Quarter ended | | Financial year ended | |
|--|---------------|-------------|----------------------|-------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Profit attributable to ordinary equity holders of the Company (RM) | 6,958,099 | 5,131,289 | 21,589,490 | 21,217,671 |
| Weighted average number of shares in issue | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |
| Basic and diluted EPS (Sen) | <u>2.32</u> | <u>1.71</u> | <u>7.20</u> | <u>7.07</u> |

The basic EPS is computed based on the profit attributable to ordinary equity holders 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. Dividends

On 23 August 2024, the Directors of the Company declared an interim single-tier dividend of RM1.50 sen per ordinary share amounting to RM4,500,000 for the financial year ended 31 December 2024. The dividend was paid on 11 October 2024 to holders of ordinary shares whose names appear in the Records of Depository at the close of business on 23 September 2024.

On 27 February 2025, the Directors of the Company declared an interim single-tier dividend of RM1.50 sen per ordinary share amounting to RM4,500,000 for the financial year ended 31 December 2024. The dividend will be paid on 11 April 2025 to holders of ordinary shares whose names appear in the Records of Depository at the close of business on 21 March 2025.

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

Company Secretary
27 February 2025