



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 2021**

23 February 2022

Yenher Holdings Berhad

(Registration No. 202001008388 (1364708-X))

(Incorporated in Malaysia)

Interim Financial Report for the Fourth Quarter Ended 31 December 2021

Condensed consolidated statements of financial position ⁽¹⁾

	Unaudited	Audited
	As at	As at
	31.12.2021	31.12.2020
	RM	RM
Assets		
Non-current Assets		
Property, plant and equipment	39,593,337	36,336,892
Intangible assets	444,960	308,595
	<u>40,038,297</u>	<u>36,645,487</u>
Current Assets		
Inventories	38,011,660	31,024,612
Trade and other receivables	77,399,971	60,306,314
Placements in money market funds	26,871,484	-
Short-term deposits, cash and bank balances	39,949,506	26,234,942
	<u>182,232,621</u>	<u>117,565,868</u>
Total Assets	<u>222,270,918</u>	<u>154,211,355</u>
Equity and Liabilities		
Equity Attributable to Owners of the Company		
Share capital	177,429,501	117,784,501
Merger deficit	(115,534,500)	(115,534,500)
Exchange translation reserve	(2,288)	-
Revaluation reserve	9,286,916	9,337,236
Retained profits	122,758,621	117,171,182
Total Equity	<u>193,938,250</u>	<u>128,758,419</u>
Non-current Liabilities		
Deferred tax liabilities	1,478,052	1,450,051
Lease liabilities	1,550,126	670,850
	<u>3,028,178</u>	<u>2,120,901</u>
Current Liabilities		
Lease liabilities	847,632	858,682
Trade and other payables	23,773,358	21,244,208
Tax payable	683,500	1,229,145
	<u>25,304,490</u>	<u>23,332,035</u>
Total Liabilities	<u>28,332,668</u>	<u>25,452,936</u>
Total Equity and Liabilities	<u>222,270,918</u>	<u>154,211,355</u>
Number of ordinary shares in issue	300,000,000	235,569,000
Net assets per share of the Company (RM)	0.65	0.55

Note :

1. The condensed consolidated statements of financial position should be read in conjunction with the Accountants' Report as included in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached to this interim financial report.

Yenher Holdings Berhad

(Registration No. 202001008388 (1364708-X))

(Incorporated in Malaysia)

Interim Financial Report for the Fourth Quarter Ended 31 December 2021**Condensed consolidated statements of profit or loss and other comprehensive income⁽¹⁾**

	Note	Current quarter ended		Financial year ended	
		Unaudited		Unaudited	Audited
		31.12.2021	31.12.2020 ⁽²⁾	31.12.2021	31.12.2020
		RM	RM	RM	RM
Revenue	A11	71,194,928	N/A	263,409,643	202,634,937
Cost of sales		(57,328,401)	N/A	(211,547,313)	(150,213,190)
Gross profit		13,866,527	N/A	51,862,330	52,421,747
Other income		352,225	N/A	1,006,054	447,663
Selling and distribution costs		(2,781,820)	N/A	(9,554,156)	(7,857,595)
Administrative expenses		(3,690,273)	N/A	(15,088,994)	(14,832,855)
Research and development costs		(127,651)	N/A	(306,198)	(176,354)
Other expenses		(8,717)	N/A	(102,214)	(147,977)
Operating profit		7,610,291	N/A	27,816,822	29,854,629
Finance costs		(32,314)	N/A	(139,354)	(196,507)
Profit before taxation	B5	7,577,977	N/A	27,677,468	29,658,122
Taxation	B6	(1,954,752)	N/A	(6,840,349)	(7,261,571)
Profit for the period/year		5,623,225	N/A	20,837,119	22,396,551
Other comprehensive income, net of tax					
<i>Item that will not be reclassified subsequently to profit or loss :</i>					
- Revaluation of land and buildings		-	N/A	-	940,592
<i>Item that will be reclassified subsequently to profit or loss :</i>					
- Exchange gain/(loss) on translation of foreign operation		4,162	N/A	(2,288)	-
Total other comprehensive income/(loss) for the period/year		4,162	N/A	(2,288)	940,592
Total comprehensive income for the period/year		5,627,387	N/A	20,834,831	23,337,143
Attributable to owners of the Company					
Profit for the period/year		5,623,225	N/A	20,837,119	22,396,551
Total comprehensive income for the period/year		5,627,387	N/A	20,834,831	23,337,143
Earnings per share attributable to owners of the Company					
Basic and diluted (Sen) ⁽³⁾	B12	1.87	N/A	7.85	9.51
Weighted average number of ordinary shares in issue	B12	300,000,000	N/A	265,577,959	235,569,000

Notes :

- The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the Accountants' Report as included in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached to this interim financial report.
- This is the Company's fourth interim financial report announced in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). As the Company was only listed on 15 July 2021 on the Main Market of Bursa Securities, there are no comparative figures for the preceding year's corresponding quarter as there was no interim financial report prepared for the comparative financial period concerned.
- The basic earnings per share ("EPS") is computed based on the profit attributable to owners of the Company for the period divided by the weighted average number of ordinary shares in issue during the financial period under review. The diluted EPS is equivalent to the basic EPS as there were no dilutive potential ordinary shares outstanding as at the end of the financial period under review.

N/A - Not applicable

Yenher Holdings Berhad

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Interim Financial Report for the Fourth Quarter Ended 31 December 2021
Condensed consolidated statements of changes in equity ⁽¹⁾

	Non-distributable			Distributable		Total RM
	Share capital RM	Merger deficit RM	Exchange translation reserve RM	Revaluation reserve RM	Retained profits RM	
31.12.2021 - Unaudited						
Balance as at 1 January 2021	117,784,501	(115,534,500)	-	9,337,236	117,171,182	128,758,419
Profit for the year	-	-	-	-	20,837,119	20,837,119
Exchange loss on translation of foreign operation	-	-	(2,288)	-	-	(2,288)
Total comprehensive (loss)/income for the year	-	-	(2,288)	-	20,837,119	20,834,831
Transfer of revaluation surplus on land and buildings	-	-	-	(50,320)	50,320	-
New ordinary shares issued pursuant to the Public Issue (Note B7)	61,209,450	-	-	-	-	61,209,450
Share issue expenses	(1,564,450)	-	-	-	-	(1,564,450)
Dividends declared (Note A8)	-	-	-	-	(15,300,000)	(15,300,000)
Total transactions with owners of the Company	59,645,000	-	-	-	(15,300,000)	44,345,000
Balance as at 31 December 2021	177,429,501	(115,534,500)	(2,288)	9,286,916	122,758,621	193,938,250
31.12.2020 - Audited						
Balance as at 1 January 2020	-	2,250,000	-	8,412,396	94,758,879	105,421,275
Profit for the year	-	-	-	-	22,396,551	22,396,551
Surplus on revaluation of land and buildings, net of attributable deferred tax	-	-	-	940,592	-	940,592
Total comprehensive income for the year	-	-	-	940,592	22,396,551	23,337,143
Transfer of revaluation surplus on land and buildings	-	-	-	(15,752)	15,752	-
Shares issued upon incorporation of the Company on 9 March 2020	2	-	-	-	-	2
Shares issued for acquisition of a subsidiary	117,784,499	(2,000,000)	(115,784,499)	-	-	-
Acquisition of a subsidiary satisfied by cash	-	(250,000)	249,999	-	-	(1)
Total transactions with owners of the Company	117,784,501	(2,250,000)	(115,534,500)	-	-	1
Balance as at 31 December 2020	117,784,501	-	(115,534,500)	9,337,236	117,171,182	128,758,419

Note :

1. The condensed consolidated statements of changes in equity should be read in conjunction with the Accountants' Report as included in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached to this interim financial report.

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Interim Financial Report for the Fourth Quarter Ended 31 December 2021**Condensed consolidated statements of cash flows ⁽¹⁾**

	Unaudited	Audited
	Current year ended	Preceding year ended
	31.12.2021⁽¹⁾	31.12.2020
	RM	RM
Cash flows from operating activities		
Profit before taxation	27,677,468	29,658,122
<i>Adjustments for :-</i>		
Depreciation of property, plant and equipment	1,069,403	950,166
Depreciation of right-of-use assets	838,820	855,929
Amortisation of intangible assets	105,837	-
Reversal of loss on revaluation of property, plant and equipment	-	(5,814)
(Gain)/Loss on disposal of property, plant and equipment	(120,239)	2,979
Net addition/(reversal) of impairment losses on trade receivables	911,493	(210,724)
Interest expense	139,354	196,507
Interest income	(335,825)	(200,700)
Income from placements in money market funds	(232,294)	-
Gain on changes in fair value of money market funds	(39,169)	-
Unrealised (gain)/loss on foreign exchange	(122,730)	127,430
Operating profit before working capital changes	29,892,118	31,373,895
Increase in inventories	(6,982,433)	(782,661)
Increase in trade and other receivables	(21,856,659)	(594,134)
Increase in trade and other payables	6,495,086	188,987
Cash generated from operations	7,548,112	30,186,087
Interest received	335,825	200,700
Interest paid	(139,354)	(196,507)
Tax paid	(7,357,434)	(6,821,511)
Net cash from operating activities	387,149	23,368,769
Cash flows from investing activities		
Investment in a subsidiary	-	(1)
Purchase of intangible assets	(242,202)	(117,449)
Purchase of property, plant and equipment	(3,448,658)	(1,393,226)
Proceeds from disposal of property, plant and equipment	120,400	1,000
Net placements in money market funds	(26,832,315)	-
Income from placements in money market funds	232,294	-
Net cash used in investing activities	(30,170,481)	(1,509,676)

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Interim Financial Report for the Fourth Quarter Ended 31 December 2021**Condensed consolidated statements of cash flows ⁽¹⁾ (Cont'd)**

	Unaudited	Audited
	Current year ended	Preceding year ended
	31.12.2021⁽¹⁾	31.12.2020
	RM	RM
Cash flows from financing activities		
(Increase)/Decrease in fixed deposits pledged as security	(69,487)	3,000
Payments of lease liabilities	(847,946)	(819,495)
Repayment of term loan	-	(5,231,448)
Proceeds from new ordinary shares issued	61,209,450	2
Payments of share issue expenses	(1,564,450)	-
Dividend paid (Note A8)	(15,300,000)	(9,900,000)
Net cash from/(used in) financing activities	<u>43,427,567</u>	<u>(15,947,941)</u>
Net increase in cash and cash equivalents	13,644,235	5,911,152
Cash and cash equivalents at beginning of period/year	24,695,389	18,784,237
Effect of foreign exchange difference on cash and cash equivalents	842	-
Cash and cash equivalents at end of period/year	<u>38,340,466</u>	<u>24,695,389</u>

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

	As at	As at
	31.12.2021⁽¹⁾	31.12.2020
	RM	RM
Short-term deposits, cash and bank balances, as presented in the condensed consolidated statements of financial position	39,949,506	26,234,942
Less : Short-term deposits pledged as security	(1,609,040)	(1,539,553)
Cash and cash equivalents, as presented in the condensed consolidated statements of cash flows	<u>38,340,466</u>	<u>24,695,389</u>

Note :

1. *The condensed consolidated statements of cash flows should be read in conjunction with the Accountant's Report as included in the Prospectus of the Company dated 22 June 2021 and the accompanying explanatory notes attached to this interim financial report.*

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Interim Financial Report for the Fourth Quarter Ended 31 December 2021

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 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 is the Company's fourth interim financial report announced in compliance with the Listing Requirements. As the Company was only listed on 15 July 2021 on the Main Market of Bursa Securities, there are no comparative figures for the preceding year's corresponding quarter as there was no interim financial report prepared for the comparative financial period concerned.

This interim financial report should be read in conjunction with the Accountants' Report as included in the Prospectus of the Company dated 22 June 2021 and the accompanying 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 2020, except for the application of an additional accounting policy as explained in Note A2.2 below and 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 period :

- Amendment to MFRS 16 - Covid-19-Related Rent Concessions
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform - Phase 2

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 Application of an additional accounting policy

In addition to the accounting policies already disclosed in its audited consolidated financial statements for the financial year ended 31 December 2020, the Group has applied the following accounting policy with respect to the translation of the financial statements of a new branch located in Taiwan, the Republic of China (the “foreign operation”) during the financial year under review. The financial statements of the foreign operation are presented in New Taiwan Dollar, being the currency of the primary economic environment in which the foreign operation operates i.e. the foreign operation's functional currency.

The results and financial position of the foreign operation that has a functional currency different from the presentation currency of the financial statements of the Group which is Ringgit Malaysia (“RM”) are translated into RM as follows :

- (a) Assets and liabilities for statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and
- (b) Income and expenses for statement presenting profit or loss and other comprehensive income are translated at average exchange rate for the period, which approximates the exchange rates at the dates of the transactions.

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Interim Financial Report for the Fourth Quarter Ended 31 December 2021

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 Application of an additional accounting policy (Cont'd)

All resulting exchange differences are recognised in other comprehensive income and are accumulated in foreign currency translation reserve within equity. On disposal of the foreign operation, if any, such cumulative amount recognised in other comprehensive income and accumulated in the equity under foreign currency translation reserve will be reclassified to profit or loss.

The application of this additional accounting policy has resulted in the recognition of an exchange gain of RM4,162 and an exchange loss of RM2,288 in other comprehensive income for the current quarter and financial year under review respectively.

A2.3 New MFRS and amendments to MFRSs that are in issue but not yet effective

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

Effective for annual periods beginning on or after 1 April 2021

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

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 - Reference to the Conceptual Framework

Amendments to MFRS 116 - Proceeds before Intended Use

Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract

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

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

- Amendment to MFRS 9, Financial Instruments

- Amendment to MFRS 141, Agriculture

Effective for annual periods beginning on or after 1 January 2023

MFRS 17, Insurance Contracts

Amendments to MFRS 17 - Insurance Contracts

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

Amendments to MFRS 101 - Disclosure of Accounting Policies

Amendments to MFRS 108 - Definition of Accounting Estimates

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

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

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

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

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

A3. Auditors’ report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2020.

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 under review.

A6. Material changes in estimates

There were no material changes in estimates of amounts reported in the prior financial years as included in the Company's Prospectus dated 22 June 2021 that have a material effect on the financial results of the Group for the current quarter and financial year under review.

A7. Debt and equity securities

Except for the 64,431,000 new ordinary shares issued by the Company at an issue price of RM0.95 each in conjunction with its initial public offering exercise as further explained in Note B7 below, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial year under review.

A8. Dividends declared and paid

For information purposes, Yenher Agro-Products Sdn Bhd ("Yenher Agro"), a wholly-owned subsidiary of the Company, had on 8 April 2021 declared a first and final single-tier dividend of RM5.80 per ordinary share amounting to RM11,600,000 in respect of the financial year ended 31 December 2020. The said dividend was paid to the Company, being the sole shareholder of Yenher Agro, on 20 April 2021 out of its operating cash flows.

Subsequently, on 30 April 2021, the Directors of the Company declared a first single-tier interim dividend of approximately 4.58 sen per ordinary share amounting to RM10,800,000 for the financial year ended 31 December 2021 which was paid to the Company's existing shareholders on 3 May 2021.

On 23 August 2021, the Directors of the Company declared the payment of a second single-tier interim dividend of 1.50 sen per ordinary share amounting to RM4,500,000 for the financial year ended 31 December 2021. The dividend was paid on 6 October 2021 to holders of the ordinary shares whose names appear in the Records of Depositors at the close of business on 14 September 2021.

The Directors of the Company have proposed a final single-tier dividend of 1.50 sen per ordinary share amounting to RM4,500,000 for the financial year ended 31 December 2021. The proposed dividend is subject to shareholders' approval at the Company's next Annual General Meeting.

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

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Interim Financial Report for the Fourth Quarter Ended 31 December 2021

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

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

The Group acquired PPE amounting to RM0.62 million during the current quarter and RM3.45 million during the financial year under review.

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

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

A10. Impairment losses

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

A11. Operating revenue

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

	Current quarter ended		Financial year ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Manufacturing	32,302,080	N/A	115,844,597	112,944,382
Distribution	38,892,848	N/A	147,565,046	89,690,555
	71,194,928	N/A	263,409,643	202,634,937

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 :

	Current quarter ended		Financial year ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Malaysian customers	60,664,812	N/A	239,346,901	181,910,583
Overseas customers	10,530,116	N/A	24,062,742	20,724,354
	71,194,928	N/A	263,409,643	202,634,937

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

134 Interim Financial Reporting (Cont'd)

A13. Material events subsequent to the end of reporting period

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

A14. Changes in the composition of the Group

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

A15. Contingent liabilities

	As at 31.12.2021 RM	As at 31.12.2020 RM
Secured		
Bank guarantees favouring a third party for supply of utilities (secured against the land and buildings of the Group)	35,000	35,000

A16. Capital commitments

	As at 31.12.2021 RM	As at 31.12.2020 RM
Authorised and contracted capital expenditure not provided for in the financial statements :		
- Acquisition of property, plant and equipment	10,380,371	9,647,405
Authorised but not contracted for :		
- Construction of a new factory building	30,065,215	32,000,000

A17. Significant related party transactions

	Current quarter ended		Financial year ended	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Transactions with a company in which certain Directors of the Group have substantial financial interests :				
- Payments for leases	(240,000)	N/A	(960,000)	(960,000)
Transactions with companies in which a person connected to certain Directors of the Group has substantial financial interests :				
- Sales of goods	7,265,132	N/A	27,459,670	20,947,456
- Purchases of goods	(490,111)	N/A	(2,382,587)	(1,804,529)
- Rendering of services	(235,697)	N/A	(790,832)	(587,988)
Rental charged by a Director of the Company	(7,000)	N/A	(36,500)	(18,000)

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Interim Financial Report for the Fourth Quarter Ended 31 December 2021

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

B1. Performance review

The analyses of the Group performance are as follows :

	Current quarter ended		Financial year ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Revenue	71,194,928	N/A	263,409,643	202,634,937
Gross profit	13,866,527	N/A	51,862,330	52,421,747
Profit before taxation	7,577,977	N/A	27,677,468	29,658,122
Profit for the period/year	5,623,225	N/A	20,837,119	22,396,551

The Group recorded profit before taxation of RM7.58 million and RM27.68 million for current quarter and financial year under review respectively after incurring expenses such as selling and distribution costs as well as administrative expenses. These expenses consist mainly of staff costs, transportation costs, depreciation, impairment losses on trade receivables and listing expenses.

The profit before taxation decreased to RM27.68 million in the financial year ended 31 December 2021 as compared to RM29.66 million posted in the preceding year. Decline in profit before taxation mainly due to the decline in gross profit by RM0.55 million, increase in freight related expenses under selling and distribution costs of approximately RM1.23 million, and increase in net impairment losses on trade receivables under administrative expenses of RM0.91 million as compared to the preceding year. The Group also incurred an additional listing expenses of RM1.11 million during the financial year ended 31 December 2021.

As mentioned earlier, this is the Company's fourth interim financial report announced in compliance with the Listing Requirements. As the Company was only listed on 15 July 2021 on the Main Market of Bursa Securities, there are no comparative figures for the preceding year's corresponding quarter as there was no interim financial report prepared for the comparative financial period concerned. Notwithstanding this, please refer to the Company's Prospectus dated 22 June 2021 for further information on the Group's financial results in the past financial years.

B2. Comparison with immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
	31.12.2021 ("Q4 2021")	30.09.2021 ("Q3 2021")	RM	%
	RM	RM		
Revenue	71,194,928	66,236,962	4,957,966	7.49
Gross profit	13,866,527	11,854,254	2,012,273	16.98
Selling and distribution costs	(2,781,820)	(2,437,844)	(343,976)	14.11
Administrative expenses	(3,690,273)	(3,983,528)	293,255	(7.36)
Profit before taxation	7,577,977	5,575,317	2,002,660	35.92

The Group's revenue for Q4 2021 increased by 7.49% to RM71.19 million from RM66.24 million recorded in Q3 2021. The increase in revenue was mainly contributed by the increase in sales of premixes from the manufacturing activity and amino acid from the distribution activity.

The Group's gross profit margin increased 1.58% from 17.90% in Q3 2021 to 19.48% in Q4 2021. The increase in gross profit margin was primarily due to the drop in sales of commodities which contributed a much lower profit margin as compared to the Group's other product categories from both the manufacturing and distribution activities.

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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 (Cont'd)

The Group recorded a 35.92% increase in profit before taxation from RM5.58 million in the preceding quarter to RM7.58 million in the current quarter. The increase was contributed mainly by the increase in revenue of RM4.96 million or 7.49%. With the increase in revenue, the selling and distribution costs have also increased due to higher costs for making deliveries. As for administrative expenses, despite the higher allowance for impairment losses on trade receivables recognised in the current quarter, overall, these expenses have decreased by RM0.29 million or 7.36% due to non-recurring listing expenses which were incurred in the preceding quarter.

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

While COVID-19 cases continue to increase with emergence of the Omicron variant, we observed gradual recovery of economic activities domestically and around the region. Barring any unforeseen circumstances, the Group is cautiously optimistic that it will continue to perform well during the year ahead.

The Group will continue to focus on expansion of business into new markets, continuous research and development of new products to strengthen our portfolio of products and the construction of new manufacturing plant to increase our production capacity.

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

	Current quarter ended		Financial year ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
This includes the following items of income/(expense) :				
Interest income	172,016	N/A	335,825	200,700
Income from placements in money market funds	109,366	N/A	232,294	-
Gain on changes in fair value of money market funds	39,169	N/A	39,169	-
Gain/(Loss) on disposal of property, plant and equipment	104,999	N/A	120,239	(2,979)
Realised loss on foreign exchange	(23,482)	N/A	(132,234)	(285,461)
Unrealised (loss)/gain on foreign exchange	16,064	N/A	122,730	(127,430)
Depreciation of property, plant and equipment	(292,248)	N/A	(1,069,403)	(950,166)
Depreciation of right-of-use assets	(212,595)	N/A	(838,820)	(855,929)
Amortisation of intangible assets	(27,538)	N/A	(105,837)	-
Net (additional)/reversal of impairment losses on trade receivables	(591,033)	N/A	(911,493)	210,724
Interest expense	(32,314)	N/A	(139,354)	(196,507)
Listing expenses	-	N/A	(1,109,659)	(836,548)

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

	Current quarter ended		Financial year ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Current tax	1,903,500	N/A	6,757,524	7,222,000
Deferred tax expense/(income) resulting from origination and reversal of temporary differences	33,281	N/A	(74,707)	30,594
	1,936,781	N/A	6,682,817	7,252,594
Under/(Over) provided in prior year :				
- Current tax	54,265	N/A	54,265	(137,967)
- Deferred tax	(36,294)	N/A	103,267	146,944
	1,954,752	N/A	6,840,349	7,261,571
Effective tax rate (%)	25.80%	N/A	24.71%	24.48%
Statutory tax rate (%)	24.00%	N/A	24.00%	24.00%

The effective tax rate of the Group for the current quarter under review was slightly higher than the statutory tax rate mainly due to current tax under provided in prior year.

In respect of the financial year under review, the effective tax rate of the Group was slightly higher than the statutory tax rate mainly due to certain expenses which were not deductible for tax purposes and deferred tax liabilities under provided for in prior year.

B7. Status of corporate proposals

In conjunction with the Company's initial public offering ("IPO") and the listing of and quotation for its entire enlarged issued shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the following listing scheme was undertaken by the Company :

- Public issue of 64,431,000 new ordinary shares at an issue price of RM0.95 per share ("Public Issue"); and
- Offer for sale of up to 41,757,000 existing ordinary shares at the offer price of RM0.95 per share.

The listing of and quotation for the entire enlarged issued shares of the Company on the Main Market of Bursa Securities were completed on 15 July 2021.

Save as disclosed above, there was no other corporate proposal announced by the Company but not completed as at the date of this interim financial report.

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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 gross proceeds from the Public Issue of approximately RM61.21 million are expected to be used in the following manner :

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Intended timeframe for utilisation from the date of listing
Details of the use of proceeds				
Construction of a new Good Manufacturing Practice ("GMP") compliant manufacturing plant	31,000	1,730	29,270	Within 30 months
Purchase of new machinery and equipment	9,700	-	9,700	Within 30 months
Working capital	16,709	15,000	1,709	Within 36 months
Estimated listing expenses	3,800	3,233	567	Within 1 month [#]
Total	61,209	19,963	41,246	

The balance of unutilised proceeds allocated for listing expenses has been reallocated for the Group's working capital purposes.

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

B9. Borrowings and debt securities

The Group does not have any borrowings and debt securities outstanding as at the end of the current quarter and financial year under review.

B10. Derivative financial instruments

The Group has entered into forward foreign exchange contracts to manage the foreign currency exposures arising from the Group's receivables and payables denominated in United States Dollar (USD). The notional principal amount of the Group's outstanding forward foreign exchange contracts as at 31 December 2021 was RM3.97 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 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")**

	Current quarter ended		Financial year ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit attributable to owner of the Company (RM)	5,623,225	N/A	20,837,119	22,396,551
Weighted average number of shares in issue	300,000,000	N/A	265,577,959	235,569,000
Basic and diluted EPS (Sen)	<u>1.87</u>	<u>N/A</u>	<u>7.85</u>	<u>9.51</u>

The diluted EPS is equivalent to the basic EPS as there were no dilutive potential ordinary shares outstanding as at the end of the reporting period.

B13. Material litigations

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

B14. Dividend declared

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

By Order of the Board
Company Secretary
23 February 2022