



WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 MARCH 2024**

WELLSPIRE HOLDINGS BERHAD
Registration No: 202101026155 (1426455-A)
Unaudited Interim Financial Report for the First Quarter ended 31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------|--|--|--|--|
| | | Unaudited Current Year Quarter 31.03.2024 RM'000 | Unaudited Preceding Year Corresponding Quarter 31.03.2023 RM'000 | Unaudited Current Year-to-date 31.03.2024 RM'000 | Unaudited Preceding Year-to-date 31.03.2023 RM'000 |
| Revenue | | 29,082 | 34,049 | 29,082 | 34,049 |
| Cost of sales | | <u>(23,313)</u> | <u>(27,242)</u> | <u>(23,313)</u> | <u>(27,242)</u> |
| Gross profit | | 5,769 | 6,807 | 5,769 | 6,807 |
| Other operating expense | | 292 | 172 | 292 | 172 |
| Loss on impairment of financial instruments | | (3) | (77) | (3) | (77) |
| Selling and administrative expenses | | (4,541) | (4,467) | (4,541) | (4,467) |
| Finance costs | | <u>(42)</u> | <u>(50)</u> | <u>(42)</u> | <u>(50)</u> |
| Profit before tax | B12 | 1,475 | 2,385 | 1,475 | 2,385 |
| Tax expense | B5 | <u>(634)</u> | <u>(907)</u> | <u>(634)</u> | <u>(907)</u> |
| Profit for the financial period | | 841 | 1,478 | 841 | 1,478 |
| Other comprehensive (loss) / income | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | |
| Foreign currency translation (loss) / gain, net of tax | | <u>(1,176)</u> | <u>258</u> | <u>(1,176)</u> | <u>258</u> |
| Total comprehensive (loss) / income for the financial period | | <u>(335)</u> | <u>1,736</u> | <u>(335)</u> | <u>1,736</u> |
| Profit attributable to: | | | | | |
| Owners of the Company | | 444 | 900 | 444 | 900 |
| Non-controlling interests | | <u>397</u> | <u>578</u> | <u>397</u> | <u>578</u> |
| | | <u>841</u> | <u>1,478</u> | <u>841</u> | <u>1,478</u> |
| Total comprehensive (loss) / income attributable to: | | | | | |
| Owners of the Company | | (438) | 1,094 | (438) | 1,094 |
| Non-controlling interests | | <u>103</u> | <u>642</u> | <u>103</u> | <u>642</u> |
| | | <u>(335)</u> | <u>1,736</u> | <u>(335)</u> | <u>1,736</u> |
| Earnings per share to Owners of the Company | | | | | |
| Basic/Diluted (sen) | B11 | 0.06 | 0.13 | 0.06 | 0.13 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾ (CONTINUED)

Notes:

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report issued on 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.
2. The diluted earnings per share of the Company are equivalent to the basic earnings per share as the Company does not have any convertible securities as at the end of the reporting period. The basic earnings per share is calculated based on 712,125,000 ordinary shares in issue as at current year-to-date and as at preceding year-to-date.

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WELLSPIRE HOLDINGS BERHAD
Registration No: 202101026155 (1426455-A)
Unaudited Interim Financial Report for the First Quarter ended 31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

| | Note | Unaudited As at 31.03.2024 RM'000 | Audited As at 31.12.2023 RM'000 |
|---|------|--|--|
| ASSETS | | | |
| <i>Non-current assets</i> | | | |
| Property, plant and equipment | | 717 | 814 |
| Right-of-use assets | | 844 | 986 |
| | | 1,561 | 1,800 |
| <i>Current assets</i> | | | |
| Inventories | | 6,318 | 6,131 |
| Trade and other receivables | | 18,662 | 21,582 |
| Cash and bank balances | | 44,206 | 41,805 |
| | | 69,186 | 69,518 |
| TOTAL ASSETS | | 70,747 | 71,318 |
| EQUITY AND LIABILITIES | | | |
| Share capital | | 50,529 | 50,529 |
| Reserves | | (10,799) | (9,917) |
| Retained earnings | | 12,531 | 12,087 |
| | | 52,261 | 52,699 |
| Non-controlling interests | | 8,251 | 8,148 |
| TOTAL EQUITY | | 60,512 | 60,847 |
| LIABILITIES | | | |
| <i>Non-current liabilities</i> | | | |
| Lease liabilities | | 440 | 520 |
| Deferred tax liabilities | | 3,293 | 3,146 |
| Borrowings | B8 | 107 | 129 |
| | | 3,840 | 3,795 |
| <i>Current liabilities</i> | | | |
| Lease liabilities | | 295 | 308 |
| Borrowings | B8 | 3,011 | 2,793 |
| Trade and other payables | | 1,634 | 2,551 |
| Current tax liabilities | | 1,455 | 1,024 |
| | | 6,395 | 6,676 |
| TOTAL LIABILITIES | | 10,235 | 10,471 |
| TOTAL EQUITY AND LIABILITIES | | 70,747 | 71,318 |
| Net assets per share (Sen) ⁽²⁾ | | 7.34 | 7.40 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾ (CONTINUED)

Notes:

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report issued on 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.
2. Net assets per ordinary share is calculated based on the Company's issued share capital of 712,125,000 ordinary shares as at current year-to-date and preceding year-to-date.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

| | Share capital RM'000 | Foreign currency translation reserve RM'000 | Merger reserve RM'000 | Legal reserve RM'000 | Distributable Retained earnings RM'000 | Total RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|---|----------------------------|---|-----------------------------|----------------------------|---|-----------------|--|---------------------------|
| Unaudited | | | | | | | | |
| Balance as at 1 January 2024 (Audited) | 50,529 | 751 | (10,721) | 53 | 12,087 | 52,699 | 8,148 | 60,847 |
| Profit for the financial period | - | - | - | - | 444 | 444 | 397 | 841 |
| Other comprehensive loss, net of tax | - | (882) | - | - | - | (882) | (294) | (1,176) |
| Total comprehensive (loss) / income | - | (882) | - | - | 444 | (438) | 103 | (335) |
| Balance as at 31 March 2024 | 50,529 | (131) | (10,721) | 53 | 12,531 | 52,261 | 8,251 | 60,512 |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾ (CONTINUED)

| | Share capital RM'000 | Foreign currency translation reserve RM'000 | Merger reserve RM'000 | Legal reserve RM'000 | Distributable Retained earnings RM'000 | Total RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|--|-------------------------------------|--|--------------------------------------|-------------------------------------|---|-------------------------|--|------------------------------------|
| Audited | | | | | | | | |
| Balance as at 1 January 2023 | 23,501 | (414) | (10,721) | 53 | 9,449 | 21,868 | 5,843 | 27,711 |
| Profit for the financial year | - | - | - | - | 2,638 | 2,638 | 1,816 | 4,454 |
| Other comprehensive income, net of tax | - | 1,165 | - | - | - | 1,165 | 388 | 1,553 |
| Total comprehensive income | - | 1,165 | - | - | 2,638 | 3,803 | 2,204 | 6,007 |
| Issuance of ordinary shares | 28,658 | - | - | - | - | 28,658 | - | 28,658 |
| Listing expenses attributable to the initial public offering | (1,630) | - | - | - | - | (1,630) | - | (1,630) |
| Issuance of ordinary shares to non-controlling interests by a subsidiary | - | - | - | - | - | - | 101 | 101 |
| Total transaction with owners | 27,028 | - | - | - | - | 27,028 | 101 | 27,129 |
| Balance as at 31 December 2023 | 50,529 | 751 | (10,721) | 53 | 12,087 | 52,699 | 8,148 | 60,847 |

Note:

- The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report issued on 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.

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Unaudited Interim Financial Report for the First Quarter ended 31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

| | Unaudited Current Year- to-date 31.03.2024 RM'000 | Unaudited Preceding Year- to-date 31.03.2023 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 1,475 | 2,385 |
| Adjustments for: | | |
| Depreciation of: | | |
| - property, plant and equipment | 89 | 81 |
| - right-of-use assets | 129 | 196 |
| Interest expense on: | | |
| - borrowings | 34 | 41 |
| - lease liabilities | 8 | 9 |
| Interest income | (216) | (97) |
| Impairment loss on trade receivables | 3 | 77 |
| Provision for obsolete stocks | 106 | - |
| Net unrealised gain on foreign exchange | (61) | (40) |
| Operating profit before changes in working capital | 1,567 | 2,652 |
| Changes in working capital | | |
| Inventories | (509) | 503 |
| Trade and other receivables | 2,484 | 808 |
| Trade and other payables | (1,080) | (1,789) |
| Cash generated from operations | 2,462 | 2,174 |
| Interest received | - | 97 |
| Tax paid | (13) | (4) |
| Net cash from operating activities | 2,449 | 2,267 |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾ (CONTINUED)

| | Unaudited Current Year- to-date 3 months 31.03.2024 RM'000 | Unaudited Preceding Year- to-date 3 months 31.03.2023 RM'000 |
|---|---|---|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase property, plant and equipment | (13) | (27) |
| Interest received from short term deposits | 216 | - |
| Placement of fixed deposit | - | (20,000) |
| Net cash from / (used in) investing activities | 203 | (20,027) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdowns of borrowings | 3,210 | 7,334 |
| Payments of lease liabilities | (92) | (143) |
| Proceeds from issuance of shares | - | 27,028 |
| Repayments of borrowings | (2,949) | (9,875) |
| Net cash from financing activities | 169 | 24,344 |
| Net increase in cash and cash equivalents | 2,821 | 6,584 |
| Effects of exchange rate changes on cash and cash equivalents | (420) | (18) |
| Cash and cash equivalents at beginning of financial year | 16,805 | 10,470 |
| Cash and cash equivalents at end of financial year | 19,206 | 17,036 |
| Represented by: | | |
| Cash and bank balances | 44,206 | 37,036 |
| Less: Fixed deposits with licensed bank with maturity period more than three (3) months | (25,000) | (20,000) |
| | 19,206 | 17,036 |

Note:

- The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report issued on 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.

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Unaudited Interim Financial Report for the First Quarter ended 31 March 2024

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1 –Basis of Preparation

The interim financial report of Wellspire Holdings Berhad (“Wellspire” or “Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

The interim financial report should also be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report issued on 30 April 2024 and the accompanying notes attached to this interim financial report.

A2 – Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report issued on 30 April 2024 except for the adoption of new MFRS, Amendments to MFRS and IC Interpretations that are mandatory for annual financial year beginning on or after 1 January 2024.

The adoption of the new MFRS, Amendments to MFRS and IC Interpretations 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.

The following MFRSs and Amendments to MFRSs have been issued but has not been early adopted by the Group.

| Title | Effective Date |
|--|----------------|
| Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i> | 1 January 2024 |
| Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024 |
| Amendments to MFRS 101 <i>Non-Current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i> | 1 January 2024 |
| Amendments to MFRS 121 <i>Lack of Exchangeability</i> | 1 January 2025 |
| Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i> | Deferred |

A3 – Auditors’ Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

A4 – Seasonal or Cyclicity of Operations

The business operations of the Group during the current year quarter under review have not been materially affected by any seasonal or cyclical factors.

A5 –Unusual Items Affecting Assets, Liabilities, Equity, Net Income and Cash Flows

There were no items of an unusual nature affecting the assets, liabilities, equity, net income or cash flows in the current year quarter under review.

A6 – Material changes in Estimates

There were no material changes in estimates during the current year quarter under review.

A7 – Debt and Equity Securities

There were no other issuances, cancellation, repurchases, resales and repayment of debts and equity securities during the current year quarter under review.

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PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONTINUED)

A8 – Dividends Paid

There were no dividend declared or paid during the current year quarter under review.

A9 – Segmental Information

The primary activities of the Group are in a single industry segment of distribution of consumer packaged foods. Other reporting segment include online retailer of consumer packaged foods, investment holding and trading of biomass fuel products, which are not of a sufficient size to be reported separately.

Accordingly, the Group has only one (1) reportable segment.

A10 – Valuation of Property, Plant and Equipment

There were no valuation of property, plant and equipment in the current year quarter under review.

A11 – Material Subsequent Events

There were no material subsequent events to the end of the current year quarter under review.

A12 – Changes in the Composition of The Group

There were no other material changes in the composition of the Group for the current year quarter under review.

A13 – Contingent Assets and Contingent Liabilities

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A14 – Capital Commitment

Save as disclosed below, there were no capital commitments:

| | Unaudited | Unaudited |
|--|-------------------|-------------------|
| | As at | As at |
| | 31.03.2024 | 31.03.2023 |
| | RM'000 | RM'000 |
| Capital expenditure in respect of purchase of property, plant, and equipment: | | |
| • Approved but not contracted for in relation to the acquisition of a warehouse and operational facility in Thailand | <u>16,000</u> | <u>16,000</u> |

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PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONTINUED)**A15 –Related Party Transaction**

There were no related party transactions to the end of the current year quarter under review, except for the following:

| | INDIVIDUAL QUARTER | | CUMMULATIVE QUARTER | |
|---|---------------------------|-----------------------|----------------------------|------------------------|
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | Current Year | Preceding Year | Current Year- | Preceding Year- |
| | Quarter | Corresponding | to-date | to-date |
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Rental expenses paid to a related party | <u>446</u> | <u>435</u> | <u>446</u> | <u>435</u> |

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1 – Review of Performance**

| | INDIVIDUAL QUARTER | | CUMMULATIVE QUARTER | |
|-------------------|---|--|--|--|
| | Current Year Quarter 3 months 31.03.2024 | Preceding Year Corresponding Quarter 3 months 31.03.2023 | Current Year-to- date 3 months 31.03.2024 | Preceding Year-to- date 3 months 31.03.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 29,082 | 34,049 | 29,082 | 34,049 |
| Gross profit | 5,769 | 6,807 | 5,769 | 6,807 |
| Profit before tax | 1,475 | 2,385 | 1,475 | 2,385 |

Results for current quarter:

The Group registered a lower revenue of RM29.08 million for the current year quarter as compared to RM34.05 million in the preceding year's corresponding quarter. The Group's lower revenue was mainly due to the decrease in orders placed for sunflower seeds products by the Group's customers following the increase in selling price for the said product.

The Group's revenue was mainly derived from customers located in Thailand. Revenue from sales of sunflower seeds accounted for RM26.26 million or 90.30% of the total revenue whereas the amount of RM2.82 million or 9.70% of the total revenue for the current year quarter was mainly consist of other snack foods products. Material costs constituted the largest component in the Group's cost of sales which accounted for RM22.62 million or 97.04% of its total cost of sales of RM23.31 million for the current year quarter.

Overall, the Group recorded a lower profit before tax of RM1.48 million for the current year quarter as compared to RM2.39 million in the preceding year's corresponding quarter, which was mainly due to lower revenue and higher personnel cost.

B2 – Comparison with immediate preceding quarter's results

| | INDIVIDUAL QUARTER | |
|-------------------|---------------------------------------|--|
| | Current Year Quarter 31.03.2024 | Immediate Preceding Quarter 31.12.2023 |
| | RM'000 | RM'000 |
| Revenue | 29,082 | 32,989 |
| Gross profit | 5,769 | 6,405 |
| Profit before tax | 1,475 | 1,118 |

The Group registered a lower revenue of RM29.08 million for the current year quarter as compared to RM32.99 million in the immediate preceding quarter. The lower revenue was mainly contributed by the decrease in orders placed for sunflower seeds products by the Group's customers following the increase in selling price for the said product. The Group recorded higher profit before tax of RM1.48 million as compared to the profit before tax of RM1.12 million in the immediate preceding quarter. The higher profit before tax was mainly due to lower spending on advertising and promotions as well as lower travelling and transportation cost as compared to the immediate preceding quarter.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B3 –Prospects and Outlook

Wellspire charted its inaugural year as an ACE Market-listed company with Bursa Malaysia Securities Berhad (“**Bursa Securities**”) in its financial year ended 31 December 2023. This signifies the Group’s first full year operating as a listed company primarily engaged in the distribution and online retailing of the snack food business based predominantly in Thailand. As the Group established its presence as a public-listed company, it began streamlining the different segments of its operations into one that focusses on its main business activity of distribution, marketing and sales of snack foods predominantly in Thailand.

In 2023, the Thai economy expanded by 1.9%, slowed down from 2.5% growth in 2022, dampened by a contraction of government spending and weak goods exports. The continued recovery in tourism, services exports were the main contributor to overall exports in 2023. Private consumption recorded robust growth in 2023, expanding by 7.1% on the back of rising tourism-related activities. (Source: Asian Development Outlook: Thailand 2024)

The Thai economic growth should pick up in 2024 and 2025 primarily from strong domestic demand, underpinned by a continued recovery in tourism and a rebound in merchandise exports. Real GDP is projected to expand by 2.6% in 2024 and 3.0% in 2025. Private consumption should continue to benefit from recovering tourism activity, an improving labor market, and rising consumer confidence. Private consumption is expected to grow by 3.5% in 2024 and 3.4% in 2025, remaining the main contributor to economic growth. (Source: Asian Development Outlook: Thailand 2024). According to Statista, the revenue value of Thai snack food market is expected to exceed USD2.67 billion in 2024, and is projected to witness a CAGR of 6.77% during the period of 2024-2028. In relation to total population figures, the Thai market is expected to generate a revenue of US\$37.10 per person in 2024.

The Group continues to drive its vision to be the preferred distribution partner for snack food products from other regions into the Thailand market, and serve as an important enabler of synergistic cross-country distribution of snack food products. In line with the Group’s vision, the Group drives to expand its customer base, suppliers and enhance its stock keeping units (“SKUs”) throughout its operations and will also continue to widen its product range by developing its own stable of product brands and exploring newer ones to be introduced into Thailand, Malaysia and Singapore. These combined efforts will tap into the Group’s ability to source its own pipeline of product brands, defining the Group’s main business activities in the immediate future, as well as manage its risks through the widening of product lines and exploring new markets for its distributorship channels.

In addition to the above and considering the demand for quality assured halal food products globally, the market for Muslim-friendly snack food includes not only Malaysia, but also the Middle East nations, which represents potential growth market for the Group. The Group is looking to develop distribution channels in Malaysia, which has a good Halal hub status and potentially serve as a regional centre for the Halal market that also extends to the Middle East together with its existing vendors. Further, the Group may work with its’ consumer packaged foods producers to attain halal certification for the Group’s consumer packaged foods.

Further as a catalyst to drive growth, the Group commenced trading of biomass fuel products in the last quarter of 2023 and is poised for further expansion in 2024. This revenue stream capitalises on the National Biomass Action Plan 2023-2030 (whereby the National Biomass Action Plan 2023-2030 is expected to bring in an investment of RM7 billion and the creation of up to 33,000 job opportunities in the biomass industry).

Premised on the above, Wellspire remains positive of the Group’s ability to achieve satisfactory financial performance in the financial year 31 December 2024.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B4 – Variance of Actual Profit Forecast Profit

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5 – Tax Expense

| | INDIVIDUAL QUARTER | | CUMMULATIVE QUARTER | |
|-------------------------------|--|---|---|---|
| | Unaudited Current Year Quarter 3 months 31.03.2024 RM'000 | Unaudited Preceding Year Corresponding Quarter 3 months 31.03.2023 RM'000 | Unaudited Current Year- to-date 3 months 31.03.2024 RM'000 | Unaudited Preceding Year- to-date 3 months 31.03.2023 RM'000 |
| <u>Taxation</u> | | | | |
| - Malaysia | - | - | - | - |
| - Outside Malaysia | 487 | 672 | 487 | 672 |
| | 487 | 672 | 487 | 672 |
| <u>Deferred tax</u> | | | | |
| - Malaysia | - | - | - | - |
| - Outside Malaysia | 147 | 235 | 147 | 235 |
| | 147 | 235 | 147 | 235 |
| Tax expense | 634 | 907 | 634 | 907 |
| Profit before taxation | 1,475 | 2,385 | 1,475 | 2,385 |
| Effective tax rate | 42.98% | 38.03% | 42.98% | 38.03% |

The higher effective tax rate of the Group for the current year quarter and current year-to-date as compared to the Thailand statutory tax rate of 20% was mainly due to the non-deductibility of certain expenses and tax effects of origination of temporary differences on undistributed retained earnings of consolidated entities for the current year quarter and current year-to-date respectively.

In accordance with Section 70 of Thai Revenue Code, dividends paid to holding companies incorporated under foreign laws and not carrying on business in Thailand are subject to a withholding tax at the rate of 10% of the distributed amount.

B6 – Status of Corporate Proposals

There were no other corporate proposals announced but not implemented as at the date of this interim financial report.

B7 – Utilisation of Proceeds from IPO

The utilisation of proceeds as disclosed below should be read in conjunction with the Prospectus of the Company dated 27 December 2022. The gross proceeds of approximately RM28.66 million raised from the IPO and the status of utilisation as of current year-to-date is as follows:

| Details of utilisation | Estimated Timeframe for the utilisation upon listing ⁽¹⁾ | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Reallocation RM'000 | Balance to be utilised RM'000 |
|---|--|-----------------------------------|---------------------------------|------------------------|-------------------------------------|
| Acquire/ construct a warehouse and operational facility in Thailand | Within 18 months | 16,000 | - | - | 16,000 |
| Working capital | Within 18 months ⁽³⁾ | 5,958 | (3,532) | 912 | 3,338 |
| Estimated listing expenses | Within 3 months | 6,700 | (5,788) | (912) ⁽²⁾ | - |
| Total | | 28,658 | (9,320) | - | 19,338 |

Notes:

- From the date of listing of the Company on the ACE Market of Bursa Securities.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B7 – Utilisation of Proceeds from IPO(Cont'd)****Notes:**

- The actual utilisation of listing expenses amounted to RM5.79 million. The surplus of RM0.91 million from the estimated listing expenses was re-allocated to the general working capital requirements of the Group.
- On 28 August 2023, an announcement was issued to extend the timeframe for the utilisation of the IPO proceeds allocated for working capital for an additional 12 months, up to 18 months from date of listing of the Company.

B8 – Bank Borrowings

Total Group bank borrowings as at 31 March 2024 are as follows:

| | Foreign Currency | Total RM'000 | Secured RM'000 | Unsecured RM'000 |
|----------------------------|---------------------|-----------------|-------------------|---------------------|
| <u>Non-current:</u> | | | | |
| Term loans | THB | 107 | 107 | - |
| | | <u>107</u> | <u>107</u> | <u>-</u> |
| <u>Current:</u> | | | | |
| Term loans | THB | 96 | 96 | - |
| Revolving credit | THB | 2,596 | - | 2,596 |
| Invoice financing | RM | 319 | 319 | - |
| | | <u>3,011</u> | <u>415</u> | <u>2,596</u> |

Total Group bank borrowings as at 31 December 2023 are as follows:

| | Foreign Currency | Total RM'000 | Secured RM'000 | Unsecured RM'000 |
|----------------------------|---------------------|-----------------|-------------------|---------------------|
| <u>Non-current:</u> | | | | |
| Term loans | THB | 129 | 129 | - |
| | | <u>129</u> | <u>129</u> | <u>-</u> |
| <u>Current:</u> | | | | |
| Term loans | THB | 107 | 107 | - |
| Revolving credit | THB | 2,686 | - | 2,686 |
| | | <u>2,793</u> | <u>107</u> | <u>2,686</u> |

B9 – Material Litigations

As at the date of this interim financial report, there is no material litigation or arbitration by/against the Group, which has a material effect on the financial position of the Group and the Board of Directors (“**Board**”) is not aware of any material proceedings pending or of any fact likely to give rise to any proceedings.

B10 – Dividends

There were no dividend proposed or declared by the Board of the Company during the current year quarter under review.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B11 –Earnings per Share (“EPS”)**

The earnings per share of the current year quarter under review are calculated as follows:

| | INDIVIDUAL QUARTER | | CUMMULATIVE QUARTER | |
|--|--------------------|----------------|---------------------|-----------------|
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | Current Year | Preceding Year | Current Year- | Preceding Year- |
| | Quarter | Corresponding | to-date | to-date |
| | 3 months | 3 months | 3 months | 3 months |
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit attributable to the Owners of the Company | 444 | 900 | 444 | 900 |
| Weighted average number of ordinary shares in issue ('000) | 712,125 | 712,125 | 712,125 | 712,125 |
| Basic/ Diluted EPS (sen) | <u>0.06</u> | <u>0.13</u> | <u>0.06</u> | <u>0.13</u> |

B12 – Notes to the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Profit before tax is arrived at after charging / (crediting):

| | INDIVIDUAL QUARTER | | CUMMULATIVE QUARTER | |
|---|--------------------|----------------|---------------------|-----------------|
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | Current Year | Preceding Year | Current Year- | Preceding Year- |
| | Quarter | Corresponding | to-date | to-date |
| | 3 months | 3 months | 3 months | 3 months |
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Depreciation of : | | | | |
| - property, plant and equipment | 89 | 81 | 89 | 81 |
| - right-of-use assets | 129 | 196 | 129 | 196 |
| Interest expenses on : | | | | |
| - lease liabilities | 8 | 9 | 8 | 9 |
| - borrowings | 34 | 41 | 34 | 41 |
| Listing expenses | - | 61 | - | 61 |
| Interest income | (216) | (97) | (216) | (97) |
| Realised loss / (gain) on foreign exchange | 12 | (31) | 12 | (31) |
| Loss on impairment of financial instruments | 3 | 77 | 3 | 77 |
| Provision for obsolete stocks | 106 | - | 106 | - |
| Net unrealised gain on foreign exchange | (61) | (40) | (61) | (40) |

Other disclosure items pursuant to Appendix 9B of the Listing requirement are not applicable.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B13 – Derivative

The Group did not enter into any derivatives during the current financial quarter under review.

By the Order of the Board

Company Secretary

28 May 2024

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