



WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2024**

WELLSPIRE HOLDINGS BERHAD
Registration No: 202101026155 (1426455-A)
Unaudited Interim Financial Report for the Third Quarter ended 30 September 2024

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited Current Year Quarter	Unaudited Preceding Year Corresponding Quarter	Unaudited Current Year-to-date	Unaudited Preceding Year-to-date
		30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Revenue		31,756	28,291	89,468	91,892
Cost of sales		<u>(23,451)</u>	<u>(22,708)</u>	<u>(69,877)</u>	<u>(73,386)</u>
Gross profit		8,305	5,583	19,591	18,506
Other operating income		60	282	638	990
(Loss on impairment) / Net reversal of impairment loss of financial instruments		-	(6)	(12)	12
Selling and administrative expenses		<u>(5,954)</u>	<u>(4,104)</u>	<u>(15,060)</u>	<u>(13,057)</u>
Finance costs		<u>(22)</u>	<u>(37)</u>	<u>(98)</u>	<u>(128)</u>
Profit before tax	B12	2,389	1,718	5,059	6,323
Tax expense	B5	<u>(1,030)</u>	<u>(724)</u>	<u>(2,174)</u>	<u>(2,353)</u>
Profit for the financial period		1,359	994	2,885	3,970
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>(117)</u>	<u>(439)</u>	<u>(1,590)</u>	<u>153</u>
Total comprehensive income for the financial period		<u>1,242</u>	<u>555</u>	<u>1,295</u>	<u>4,123</u>
Profit attributable to:					
Owners of the Company		703	603	1,375	2,547
Non-controlling interests		<u>656</u>	<u>391</u>	<u>1,510</u>	<u>1,423</u>
		<u>1,359</u>	<u>994</u>	<u>2,885</u>	<u>3,970</u>
Total comprehensive income / (loss) attributable to:					
Owners of the Company		616	274	183	2,663
Non-controlling interests		<u>626</u>	<u>281</u>	<u>1,112</u>	<u>1,460</u>
		<u>1,242</u>	<u>555</u>	<u>1,295</u>	<u>4,123</u>
Earnings per share to Owners of the Company					
Basic/Diluted (sen) ⁽²⁾	B11	0.10	0.09	0.19	0.36

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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Unaudited Interim Financial Report for the Third Quarter ended 30 September 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Note	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment		550	814
Right-of-use assets		612	986
		1,162	1,800
<i>Current assets</i>			
Inventories		10,581	6,131
Trade and other receivables		23,983	21,582
Cash and bank balances		33,122	41,805
		67,686	69,518
TOTAL ASSETS		68,848	71,318
EQUITY AND LIABILITIES			
Share capital		50,529	50,529
Reserves		(11,017)	(9,917)
Retained earnings		13,370	12,087
		52,882	52,699
Non-controlling interests		8,406	8,148
TOTAL EQUITY		61,288	60,847
LIABILITIES			
<i>Non-current liabilities</i>			
Lease liabilities		305	520
Deferred tax liabilities		3,370	3,146
Borrowings	B8	12	129
		3,687	3,795
<i>Current liabilities</i>			
Lease liabilities		283	308
Borrowings	B8	29	2,793
Trade and other payables		3,002	2,551
Current tax liabilities		559	1,024
		3,873	6,676
TOTAL LIABILITIES		7,560	10,471
TOTAL EQUITY AND LIABILITIES		68,848	71,318
Net assets per share (Sen) ⁽²⁾		7.43	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
Appropriation in lieu of dividend distributed	-	-	-	92	(92)	-	-	-
Profit for the financial period	-	-	-	-	1,375	1,375	1,510	2,885
Other comprehensive loss, net of tax	-	(1,192)	-	-	-	(1,192)	(398)	(1,590)
Total comprehensive (loss) / income	-	(1,192)	-	-	1,375	183	1,112	1,295
Dividend paid	-	-	-	-	-	-	(854)	(854)
Balance as at 30 September 2024	50,529	(441)	(10,721)	145	13,370	52,882	8,406	61,288

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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 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

	Unaudited Current Year- to-date 30.09.2024 RM'000	Unaudited Preceding Year- to-date 30.09.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,059	6,323
Adjustments for:		
Depreciation of:		
- property, plant and equipment	261	256
- right-of-use assets	357	465
Interest expense on:		
- borrowings	72	106
- lease liabilities	26	22
Interest income	(662)	(542)
Impairment / (Reversal of impairment) loss on trade receivables	12	(12)
Provision for obsolete stocks	77	59
Net unrealised loss on foreign exchange	141	-
Operating profit before changes in working capital	5,343	6,677
Changes in working capital		
Inventories	(4,865)	(2,265)
Trade and other receivables	(2,851)	2,829
Trade and other payables	5	(1,104)
Cash (used in) / generated from operations	(2,368)	6,137
Interest received	23	542
Tax paid	(2,376)	(1,719)
Net cash (used in) / from operating activities	(4,721)	4,960

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

	Unaudited Current Year- to-date 30.09.2024 RM'000	Unaudited Preceding Year- to-date 30.09.2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase property, plant and equipment	(25)	(162)
Interest received from short term deposits	639	-
Withdrawal / (Placement) of fixed deposit	5,000	(25,000)
Net cash from / (used in) investing activities	5,614	(25,162)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdowns of borrowings	6,054	14,360
Payments of lease liabilities	(255)	(407)
Proceeds from issuance of shares	-	26,028
Repayments of borrowings	(8,907)	(17,044)
Dividends paid to non-controlling interests	(854)	-
Net cash (used in) / from financing activities	(3,962)	22,937
Net (decrease) / increase in cash and cash equivalents	(3,069)	2,735
Effects of exchange rate changes on cash and cash equivalents	(614)	(18)
Cash and cash equivalents at beginning of financial year	16,805	10,470
Cash and cash equivalents at end of financial year	13,122	13,187
Represented by:		
Cash and bank balances	33,122	38,187
Less: Fixed deposits with licensed bank with maturity period more than three (3) months	20,000	25,000
	13,122	13,187

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 Third Quarter ended 30 September 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 Cyclical 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
	30.09.2024	30.09.2023
	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
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Rental expenses paid to a related party	<u>430</u>	<u>443</u>	<u>1,309</u>	<u>1,320</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 30.09.2024	Preceding Year Corresponding Quarter 3 months 30.09.2023	Current Year-to- date 9 months 30.09.2024	Preceding Year-to- date 9 months 30.09.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	31,756	28,291	89,468	91,892
Gross profit	8,305	5,583	19,591	18,506
Profit before tax	2,389	1,718	5,059	6,323

Results for current quarter:

The Group registered a higher revenue of RM31.76 million for the current year's quarter as compared to RM28.29 million in the preceding year's corresponding quarter. The Group's higher revenue was mainly due to the increase in orders placed for other snack food products by the Group's customers. However, the higher revenue was partly offset by the reduction in sales of sunflower seeds.

The Group's revenue was mainly derived from customers located in Thailand. Revenue from sales of sunflower seeds accounted for RM23.41 million or 73.71% of the Group's total revenue, whereas RM8.08 million or 25.44% and RM0.27 million or 0.85% of the Group's total revenue for the current year's quarter consists of other snack foods products and sales of biomass fuel products respectively. Material costs constituted the largest component in the Group's cost of sales which accounted for RM22.54 million or 96.12% of its total cost of sales of RM23.45 million for the current year's quarter.

Overall, the Group recorded a higher profit before tax of RM2.39 million for the current year's quarter as compared to RM1.72 million in the preceding year's corresponding quarter, which was mainly due to higher revenue, but was partially offset by lower other operating income contributed by lower unrealised gain on foreign exchange and increased spending on advertising and promotions.

Results for cumulative quarter year-to-date:

The Group registered lower revenue of RM89.47 million for the cumulative quarter ended 30 September 2024 as compared to RM91.89 million in the corresponding preceding year's cumulative quarter ended 30 September 2023. The lower revenue was mainly contributed by the decrease in orders placed for sunflower seeds products by the Group's customers. However, the decrease was partly offset by the increase in orders for other snack food products.

The Group recorded lower profit before tax of RM5.06 million for the cumulative quarter ended 30 September 2024 as compared to RM6.32 million in the corresponding preceding year's cumulative quarter ended 30 September 2023. This was mainly due to increased spending on advertising and promotions and higher personnel cost as compared to the corresponding preceding year's cumulative quarter ended 30 September 2023.

B2 – Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER	
	Current Year Quarter 30.09.2024	Immediate Preceding Quarter 30.06.2024
	RM'000	RM'000
Revenue	31,756	28,630
Gross profit	8,305	5,517
Profit before tax	2,389	1,195

The Group registered a higher revenue of RM31.76 million for the current year's quarter as compared to RM28.63 million in the immediate preceding quarter. The higher revenue was mainly contributed by the increase in orders placed for other snack food by the Group's customers. However, the higher revenue was partly offset by the reduction in sales of sunflower seeds.

The Group recorded higher profit before tax of RM2.39 million as compared to RM1.20 million in the immediate preceding quarter. The higher profit before tax was contributed by higher revenue, but was partly offset by the increase spending in advertising and promotions.

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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 cautiously optimistic of the Group’s ability to achieve satisfactory financial performance in the financial year 31 December 2024. Meanwhile, the Group is continuing its efforts to strengthen its distribution networks, exploring new product range and expand into potential new market.

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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 30.09.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 3 months 30.09.2023 RM'000	Unaudited Current Year- to-date 9 months 30.09.2024 RM'000	Unaudited Preceding Year- to-date 9 months 30.09.2023 RM'000
<u>Taxation</u>				
- Malaysia	4	-	4	-
- Outside Malaysia	744	542	1,946	1,723
	748	542	1,950	1,723
<u>Deferred tax</u>				
- Malaysia	-	-	-	-
- Outside Malaysia	282	182	224	630
	282	182	224	630
Tax expense	1,030	724	2,174	2,353
Profit before taxation	2,389	1,718	5,059	6,323
Effective tax rate	43.11%	42.14%	42.97%	37.21%

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 initial public offering (“IPO”) 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 30 months ⁽⁴⁾	16,000	-	-	16,000
Working capital	Within 30 months ⁽³⁾⁽⁴⁾	5,958	(4,227)	912	2,643
Estimated listing expenses	Within 3 months	6,700	(5,788)	(912) ⁽²⁾	-
Total		28,658	(10,015)	-	18,643

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.
- On 15 July 2024, an announcement was issued to extend the timeframe for the utilisation of the IPO proceeds allocated for acquiring / constructing a warehouse and operational facility in Thailand and working capital for an additional 12 months, up to 30 months from date of listing of the Company.

B8 – Bank Borrowings

Total Group bank borrowings as at 30 September 2024 are as follows:

	Foreign Currency	Total RM'000	Secured RM'000	Unsecured RM'000
<u>Non-current:</u>				
Term loans	THB	12	12	-
		<u>12</u>	<u>12</u>	<u>-</u>
<u>Current:</u>				
Term loans	THB	29	29	-
		<u>29</u>	<u>29</u>	<u>-</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 Current Year Quarter	Unaudited Preceding Year Corresponding Quarter	Unaudited Current Year- to-date	Unaudited Preceding Year- to-date
	3 months 30.09.2024	3 months 30.09.2023	9 months 30.09.2024	9 months 30.09.2023
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the Owners of the Company	703	603	1,375	2,547
Weighted average number of ordinary shares in issue ('000)	712,125	712,125	712,125	712,125
Basic/ Diluted EPS (sen)	0.10	0.09	0.19	0.36

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 Current Year Quarter	Unaudited Preceding Year Corresponding Quarter	Unaudited Current Year- to-date	Unaudited Preceding Year- to-date
	3 months 30.09.2024	3 months 30.09.2023	9 months 30.09.2024	9 months 30.09.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of :				
- property, plant and equipment	86	87	261	256
- right-of-use assets	104	142	357	465
Interest expenses on :				
- lease liabilities	8	6	26	22
- borrowings	14	32	72	106
Listing expenses	-	-	-	61
Interest income	(209)	(213)	(662)	(542)
Realised (gain) / loss on foreign exchange	(47)	(5)	26	(49)
Loss on impairment / (Net reversal of impairment loss) of financial instruments	-	6	12	(12)
(Net reversal on) / Provision for obsolete stocks	(8)	1	77	59
Net unrealised loss / (gain) on foreign exchange	254	(20)	141	(345)

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

20 November 2024

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