

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME <sup>(1)</sup>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 31.03.2024 Notes 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
<b>Revenue</b>	34,700	23,048	34,700	23,048
Operating expenses	(29,634)	(22,798)	(29,634)	(22,798)
Other income	940	506	940	506
Finance costs	(434)	(508)	(434)	(508)
<b>Profit before tax</b>	<u>5,572</u>	<u>248</u>	<u>5,572</u>	<u>248</u>
Income tax expense	(1,290)	(70)	(1,290)	(70)
<b>Profit after tax</b>	<u>4,282</u>	<u>178</u>	<u>4,282</u>	<u>178</u>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<u><u>4,282</u></u>	<u><u>178</u></u>	<u><u>4,282</u></u>	<u><u>178</u></u>
<b>Profit after tax attributable to:</b>				
- Owners of the Company	4,248	167	4,248	167
- Non-controlling interests	34	11	34	11
	<u><u>4,282</u></u>	<u><u>178</u></u>	<u><u>4,282</u></u>	<u><u>178</u></u>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	4,248	167	4,248	167
- Non-controlling interests	34	11	34	11
	<u><u>4,282</u></u>	<u><u>178</u></u>	<u><u>4,282</u></u>	<u><u>178</u></u>
Attributable to equity holders of the Company:				
- Basic earnings per share (sen)	B10 0.77	0.03	0.77	0.03
- Diluted earnings per share (sen)	B10 0.77 <sup>(2)</sup>	0.03 <sup>(2)</sup>	0.77 <sup>(2)</sup>	0.03 <sup>(2)</sup>

## Notes :

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) The effects of potential ordinary shares arising from the conversion of warrants is anti-dilutive and accordingly, it has been ignored in the calculation of diluted earnings per share. As a result, the diluted earnings per share is the same as basic earnings per share.

## INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>

	(Unaudited) As At 31.03.2024 RM'000	(Audited) As At 31.12.2023 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	98,184	99,228
Right-of-use assets	2,163	2,187
Prepaid lease	8,056	8,056
Goodwill	6,835	6,835
	<u>115,238</u>	<u>116,306</u>
<b>CURRENT ASSETS</b>		
Inventories	37,252	38,443
Trade and other receivables	14,609	13,550
Current tax assets	651	787
Derivative assets	19	-
Deposits, bank and cash balances	18,243	19,855
	<u>70,774</u>	<u>72,635</u>
<b>TOTAL ASSETS</b>	<b><u>186,012</u></b>	<b><u>188,941</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	68,155	68,155
Treasury shares	(94)	(94)
Merger deficit	(22,100)	(22,100)
Retained profits	83,746	82,245
Equity Attributable To Owners Of The Company	<u>129,707</u>	<u>128,206</u>
Non-controlling interests	1,575	1,541
<b>TOTAL EQUITY</b>	<b><u>131,282</u></b>	<b><u>129,747</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	24,190	26,016
Hire purchase payables	508	603
Lease liabilities	57	75
Deferred tax liabilities	5,420	4,640
	<u>30,175</u>	<u>31,334</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	12,284	13,157
Bank borrowings	11,780	14,197
Hire purchase payables	380	395
Lease liabilities	111	111
	<u>24,555</u>	<u>27,860</u>
<b>TOTAL LIABILITIES</b>	<b><u>54,730</u></b>	<b><u>59,194</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>186,012</u></b>	<b><u>188,941</u></b>
Net assets per ordinary share (RM)	<u>0.24</u>	<u>0.23</u>

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup>

			<u>Non-distributable</u>	<u>Distributable</u>			
	Share capital RM'000	Treasury shares RM'000	Merger deficit RM'000	Retained profits RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Unaudited</b>							
Balance at 1 January 2023	68,154	-	(22,100)	75,231	121,285	1,485	122,770
Profit after tax and total comprehensive income for the financial period	-	-	-	167	167	11	178
Contributions by and distributions to owners of the Company: - Dividends paid by a subsidiary to non-controlling interest	-	-	-	-	-	(100)	(100)
Balance at 31 March 2023	<u>68,154</u>	<u>-</u>	<u>(22,100)</u>	<u>75,398</u>	<u>121,452</u>	<u>1,396</u>	<u>122,848</u>
<b>Unaudited</b>							
Balance at 1 January 2024	68,155	(94)	(22,100)	82,245	128,206	1,541	129,747
Profit after tax and total comprehensive income for the financial period	-	-	-	4,248	4,248	34	4,282
Contributions by and distributions to owners of the Company: - Dividends	-	-	-	(2,747)	(2,747)	-	(2,747)
Balance at 31 March 2024	<u>68,155</u>	<u>(94)</u>	<u>(22,100)</u>	<u>83,746</u>	<u>129,707</u>	<u>1,575</u>	<u>131,282</u>

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>

	(Unaudited) Current Year To Date 31.03.2024 RM'000	(Unaudited) Preceding Corresponding Year To Date 31.03.2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,572	248
Adjustments for:		
Depreciation	1,458	1,498
Fair value gain on derivatives	(19)	-
Gain on disposal of property, plant and equipment	-	(2)
Unrealised loss on foreign exchange	30	40
Interest expenses	434	508
Interest income	(73)	(91)
Operating profit before working capital changes	<u>7,402</u>	<u>2,201</u>
Inventories	1,191	1,717
Trade and other receivables	(1,020)	1,753
Trade and other payables	(732)	(841)
<b>CASH FROM OPERATIONS</b>	<u>6,841</u>	<u>4,830</u>
Interest paid	(434)	(508)
Interest received	73	91
Tax paid	(374)	(605)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>6,106</u>	<u>3,808</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(542)	(3,042)
Proceeds from disposal of property, plant and equipment	-	2
Placement of fixed deposits with tenure more than 3 months	(2,000)	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<u>(2,542)</u>	<u>(3,040)</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividends paid	(2,747)	-
Dividends paid by a subsidiary to non-controlling interests	-	(100)
Net movements in bank borrowings	(4,243)	(3,849)
Repayment of lease liabilities/hire purchase payables	(128)	(189)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<u>(7,118)</u>	<u>(4,138)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,554)	(3,370)
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	(58)	(87)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	19,855	14,008
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>16,243</u>	<u>10,551</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:</b>		
Deposits, bank and cash balances	18,243	11,551
Less: Fixed deposits with tenure of more than 3 months	(2,000)	(1,000)
	<u>16,243</u>	<u>10,551</u>

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING  
STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A1 Basis of Preparation**

The interim financial report of Wegmans Holdings Berhad (“Wegmans” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with MFRS 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

**A2 Significant Accounting Policies**

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2023, except for the adoption of the following during the current financial year:

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

The Group has not applied in advance any accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the financial year ending 31 December 2024.

**A3 Auditors’ Report of Preceding Annual Financial Statements**

The preceding year’s audited financial statements of the Group were not subject to any qualification.

**A4 Seasonal or Cyclical Factors**

There were no material seasonal or cyclical factors affecting the business operations of the Group for the current financial quarter under review.

**A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no material unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review.

**A6 Material Changes in Estimates**

There were no material changes in estimates for the current financial quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**

**A7 Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

**A8 Dividends Paid**

An interim dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2023 was declared by the Board of Directors on 27 February 2024. The dividend was subsequently paid on 26 March 2024 to all holders of ordinary shares whose names appear in Record of Depositors at the close of business on 13 March 2024.

**A9 Segmental Reporting**

The Group is organised into two main reportable segments as follows:

	Revenue		Profit before tax	
	Cumulative Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM’000	RM’000	RM’000	RM’000
Furniture manufacturing segment	30,637	19,893	5,245	185
Hardware manufacturing segment	4,254	3,343	452	183
Others segment	-	-	(125)	(120)
Consolidation adjustments	(191)	(188)	-	-
<b>Total</b>	<b>34,700</b>	<b>23,048</b>	<b>5,572</b>	<b>248</b>

Segmental information on non-current assets is not presented, as all assets are located in Malaysia.

Segmental revenue is summarised based on the geographical region as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM’000	RM’000	RM’000	RM’000
Africa	-	-	-	-
Asia (excluding Malaysia)	4,003	4,180	4,003	4,180
Australasia	2,605	2,366	2,605	2,366
Europe	2,405	1,650	2,405	1,650
North and South America	21,614	11,604	21,614	11,604
Malaysia	4,073	3,248	4,073	3,248
<b>Total</b>	<b>34,700</b>	<b>23,048</b>	<b>34,700</b>	<b>23,048</b>

**A10 Valuation of Property, Plant and Equipment**

There was no valuation of property, plant and equipment during the current financial quarter under review.

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING  
STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**

**A11 Capital Commitments**

The material capital commitments of the Group at 31 March 2024 are as follows:

<b>Contracted but not provided for</b>	<b>RM’000</b>
Purchase of property, plant and equipment	4,928
Additions to prepaid lease	422

**A12 Material Subsequent Events**

There were no other material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

**A13 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review.

**A14 Contingent Assets or Contingent Liabilities**

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

**A15 Significant Related Party Transactions**

There were no significant related party transactions for the current financial quarter under review.

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

## PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

## B1 Group Performance Review

The table below illustrates the performance for the current financial quarter and current financial period against the preceding year corresponding quarter and the preceding corresponding financial period:

	Individual Quarter			Cumulative Quarter		
	(Unaudited) 31.03.2024 RM'000	(Unaudited) 31.03.2023 RM'000	Changes %	(Unaudited) 31.03.2024 RM'000	(Unaudited) 31.03.2023 RM'000	Changes %
<b>Revenue</b>						
Furniture manufacturing segment	30,637	19,893	54.01	30,637	19,893	54.01
Hardware manufacturing segment	4,063	3,155	28.78	4,063	3,155	28.78
<b>Total</b>	<b>34,700</b>	<b>23,048</b>	50.56	<b>34,700</b>	<b>23,048</b>	50.56
<b>Profit before tax</b>						
Furniture manufacturing segment	5,245	185	2,735.14	5,245	185	2,735.14
Hardware manufacturing segment	452	183	146.99	452	183	146.99
Others segment	(125)	(120)	4.17	(125)	(120)	4.17
<b>Total</b>	<b>5,572</b>	<b>248</b>	2,146.77	<b>5,572</b>	<b>248</b>	2,146.77

The Group's revenue for the current financial quarter ended 31 March 2024 has increased by RM11.65 million or 50.56% to approximately RM34.70 million as compared to approximately RM23.05 million in the preceding year corresponding quarter ended 31 March 2023.

The higher revenue was mainly attributed to the higher sales volume from North and South America.

The Group registered a profit before tax of approximately RM5.57 million for the current financial quarter ended 31 March 2024 as compared to profit before tax of approximately RM0.25 million for the preceding year corresponding quarter ended 31 March 2023.

The higher profit before tax was mainly attributed to the higher revenue generated and strengthening of United States Dollar ("USD") against the RM whereby a majority of the Group's revenue sales are denominated in USD.

## B2 Comparison with Immediate Preceding Quarter Results

For the current financial quarter ended 31 March 2024, the Group's revenue has increased by RM3.28 million or 10.45% to approximately RM34.70 million as compared to approximately RM31.42 million in the preceding financial quarter ended 31 December 2023. The higher revenue was mainly attributed to the higher sales volume from North and South America.

Despite higher revenue, the Group registered a profit before tax of approximately RM5.57 million for the current financial quarter ended 31 March 2024 as compared to a profit before tax of approximately RM5.32 million for the preceding financial quarter ended 31 December 2023. The profit before tax for the current financial quarter was moderated due to payment of staff bonuses and incurrance of exhibition expenses during the current financial quarter.



**PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B3 Prospects for the Current Financial Year**

The Group confronts global economic uncertainties, increased production costs, and foreign currency fluctuations. However, the strengthening of United States Dollar (“USD”) against Ringgit Malaysia is expected to offset the negative impacts as majority of the Group's revenue are denominated in USD.

Despite the challenging global economic outlook, the Board will regularly review the performance and progress of the Group's operations and financial performance as well as introduce measures to minimise our operating costs. The Board expects that the Group's operations for the financial year ending 31 December 2024 to remain profitable amidst a challenging business environment.

**B4 Variance of Actual Profit from Profit Forecast and Profit Guarantee**

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

**B5 Income tax expense**

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
-Current financial period	510	70	510	70
Deferred tax expense:				
-Origination of temporary differences	780	-	780	-
<b>Total income tax expense</b>	<b>1,290</b>	<b>70</b>	<b>1,290</b>	<b>70</b>

**B6 Status of Corporate Proposals**

On 27 February 2019, Wegmans Woodwork Sdn. Bhd., a wholly-owned subsidiary of the Company entered into 4 Sale and Purchase Agreements to acquire 4 pieces of leasehold land measuring a total of approximately 12.11 acres all held under Master Title known as H.S.(D) 38459, PTD 13399, H.S(D) 38460, PTD 13400, Geran 50191, Lot 8531, situated in the Mukim of Jalan Bakri, District of Muar, Johor Darul Takzim in respect of which titles have yet to be issued for a total purchase consideration of RM8.44 million.

Save as disclosed above, there were no other corporate proposals announced but not completed at the date of this report.

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

## PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

**B7 Group Borrowings and Debt Securities**

The Group's total borrowings (all of which are secured against the Group's assets) are as follows:

	Denominated in currency	(Unaudited) As at 31.03.2024 RM'000	(Unaudited) As at 31.03.2023 RM'000
<b>Non-current:</b>			
Hire purchase payables	RM	508	702
Lease liabilities	RM	57	158
Term loans	RM	24,190	31,721
		24,755	32,581
<b>Current:</b>			
Trade bills	RM	4,725	7,227
Hire purchase payables	RM	380	403
Lease liabilities	RM	111	108
Term loans	RM	7,055	7,372
		12,271	15,110
<b>Total borrowings</b>		<b>37,026</b>	<b>47,691</b>

**B8 Derivatives**

Details of outstanding derivatives at 31 March 2024 are as follows:

	Contract/ Notional amount RM'000	Derivative assets RM'000
<b>Forward currency contracts</b>		
Less than one year	2,377	19

The Group uses forward currency contracts to manage some of its transaction exposure. These contracts are not designated as cash flows or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

There are no outstanding derivatives at 31 March 2023.

**B9 Material Litigation**

As at the date of this report, there were no pending material litigations.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

**B10 Earnings Per Share**

The basic and diluted earnings per share for the current financial quarter and current financial period are computed as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.03.2024	(Unaudited) 31.03.2023	(Unaudited) 31.03.2024	(Unaudited) 31.03.2023
Profit after tax attributable to owners of the Company (RM'000)	4,248	167	4,248	167
Weighted average number of ordinary shares in issue (excluding treasury shares) ('000)	549,480	550,034	549,480	550,034
<b>Basic earnings per ordinary share (sen)</b>	0.77	0.03	0.77	0.03
<b>Diluted earnings per ordinary share (sen)</b>	0.77 <sup>(1)</sup>	0.03 <sup>(1)</sup>	0.77 <sup>(1)</sup>	0.03 <sup>(1)</sup>

Note:

- (1) The effects of potential ordinary shares arising from the conversion of warrants is anti-dilutive and accordingly, it has been ignored in the calculation of diluted earnings per share. As a result, the diluted earnings per share is the same as basic earnings per share.

**B11 Notes to the Statement of Comprehensive Income**

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

	(Unaudited) Current Year Quarter 31.03.2024 RM'000	(Unaudited) Current Year To Date 31.03.2024 RM'000
Interest income	(73)	(73)
Fair value gain on derivatives	(19)	(19)
Gain on foreign exchange	(769)	(769)
Depreciation	1,458	1,458
Interest expenses	434	434

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements are not applicable.

**WEGMANS HOLDINGS BERHAD (Registration No. : 201701005154 (1219319-D))**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED  
31 MARCH 2024**

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**PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD (CONT'D)**

**B12 Proposed Dividends**

The Board of Directors does not recommend any dividend for the current financial quarter under review.

**BY ORDER OF THE BOARD**

**WEGMANS HOLDINGS BERHAD**

**28 May 2024**