



WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2022**

UNAUDITED CONDENSED COMBINED 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	Audited Preceding Year Year-to-date
		31.12.2022 RM'000	31.12.2021 ⁽²⁾ RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue		32,577	N/A	123,366	136,707
Cost of sales		<u>(26,114)</u>	N/A	<u>(97,411)</u>	<u>(98,535)</u>
Gross profit		6,463	N/A	25,955	38,172
Other operating income / (expenses)		(342)	N/A	745	1,397
Net gain / (loss) on impairment of financial instruments		(10)	N/A	66	18
Selling and administrative expenses ⁽³⁾		(6,229)	N/A	(20,570)	(20,219)
Finance costs		<u>(52)</u>	N/A	<u>(295)</u>	<u>(267)</u>
Profit / (Loss) before tax	B12	(170)	N/A	5,901	19,101
Tax expense	B5	<u>(407)</u>	N/A	<u>(2,947)</u>	<u>(3,698)</u>
Profit / (Loss) for the financial period		(577)	N/A	2,954	15,403
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation gain / (loss), net of tax		<u>587</u>	N/A	<u>265</u>	<u>(813)</u>
Total comprehensive income for the financial period		<u>10</u>	N/A	<u>3,219</u>	<u>14,590</u>
Profit / (Loss) attributable to:					
Owners of the Company		(896)	N/A	1,138	11,120
Non-controlling interests		319	N/A	1,816	4,283
		<u>(577)</u>	N/A	<u>2,954</u>	<u>15,403</u>
Total comprehensive income / (expense) attributable to:					
Owners of the Company		(456)	N/A	1,336	10,510
Non-controlling interests		466	N/A	1,883	4,080
		<u>10</u>	N/A	<u>3,219</u>	<u>14,590</u>
Earnings / (Loss) per share to Owners of the Company					
Basic/Diluted (sen) ⁽⁴⁾	B11	(0.15)	N/A	0.19	1.89

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

Notes

- The Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income is prepared based on the combined results of Wellspire Holdings Berhad and its combining entities for the period ended 31 December 2022. The basis of preparation of the Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report included in the prospectus of Wellspire Holdings Berhad dated 27 December 2022 ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.
- This is the second financial report announced in compliance with ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). There are no comparative figures for the preceding year corresponding quarter available as no interim financial report is prepared for the comparative financial period concerned.
- Selling and administrative expenses included one-off listing expenses of RM1.39 million and RM3.96 million charged out to the profit or loss during the current financial quarter and current financial year, respectively. For illustration purposes only, the Company's financial performance after adjusting for the one-off listing expenses is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.12.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2021 RM'000	Unaudited Current Year-to-date 31.12.2022 RM'000	Audited Preceding Year Year-to-date 31.12.2021 RM'000
Profit/ (Loss) before taxation	(170)	N/A	5,901	19,101
Add: Listing expenses	1,392	N/A	3,962	1,796
Adjusted profit before taxation	<u>1,222</u>	<u>N/A</u>	<u>9,863</u>	<u>20,897</u>

- Basic earnings / (loss) per share is calculated based on 587,525,000 ordinary shares, which were assumed to be in issue as the acquisition of Vine Growth Holdings Pte Ltd and its subsidiaries were accounted for under the merger method of accounting.

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UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Note	Unaudited As at 31.12.2022 RM '000	Audited As at 31.12.2021 RM '000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment		913	504
Right-of-use assets		1,060	1,805
		1,973	2,309
<i>Current assets</i>			
Inventories		7,817	6,251
Trade and other receivables		20,365	18,451
Cash and bank balances		10,470	5,882
		38,652	30,584
TOTAL ASSETS		40,625	32,893
EQUITY AND LIABILITIES			
Invested equity ⁽²⁾		-	11,501
Share capital		23,501	2,000
Reserves		(11,083)	(11,281)
Retained earnings		9,449	8,311
		21,867	10,531
Non-controlling interests		5,843	3,941
TOTAL EQUITY		27,710	14,472
LIABILITIES			
<i>Non-current liabilities</i>			
Lease liabilities		339	405
Deferred tax liabilities		2,334	1,297
Borrowings	B8	221	308
		2,894	2,010
<i>Current liabilities</i>			
Lease liabilities		470	1,973
Borrowings	B8	5,077	9,815
Trade and other payables		3,918	2,734
Current tax liabilities		556	1,889
		10,021	16,411
TOTAL LIABILITIES		12,915	18,421
TOTAL EQUITY AND LIABILITIES		40,625	32,893
Net assets per share (Sen) ⁽³⁾		3.72	78.00

**UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

Notes

1. The Unaudited Condensed Combined Statement of Financial Position is prepared based on the combined results of Wellspire Holdings Berhad and its combining entities for the period ended 31 December 2022. The basis of preparation of the Unaudited Condensed Combined Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
2. For the purpose of this combined interim financial report, the invested equity as of 31 December 2021 is the combined net asset value of the other combining entities, namely Wellspire, Vine Growth Holdings Pte Ltd ("**Vine Growth**") and its subsidiaries.
3. Net assets per ordinary share is calculated based on the Company's combined issued share capital of 587,525,000 ordinary shares as at 31 December 2022 and 13,501,000 ordinary shares as at 31 December 2021.

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WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾

	Share capital RM'000	Invested equity RM'000	Foreign currency translation reserve RM'000	Merger reserve RM'000	Legal reserve RM'000	Distributable Retained earnings RM'000	Equity attributable to common controlling shareholders of the combining entities RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited									
Balance as at 1 January 2022	2,000	11,501	(613)	(10,721)	53	8,311	10,531	3,941	14,472
Issuance of ordinary shares	10,000	-	-	-	-	-	10,000	19	10,019
Issuance of ordinary shares for the acquisition of subsidiary	11,501	(11,501)	-	-	-	-	-	-	-
Profit for the financial period	-	-	-	-	-	1,138	1,138	1,816	2,954
Other comprehensive loss, net of tax	-	-	198	-	-	-	198	67	265
Total comprehensive income	-	-	198	-	-	1,138	1,336	1,883	3,219
Balance as at 31 December 2022	23,501	-	(415)	(10,721)	53	9,449	21,867	5,843	27,710

Notes :

1. The basis of preparation of the Unaudited Condensed Combined Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾

	Unaudited Current Year- to-date 31.12.2022 RM '000	Audited Preceding Year Year-to-date 31.12.2021⁽²⁾ RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,901	19,101
Adjustments for:		
Depreciation of:		
- property, plant and equipment	254	175
- right-of-use assets	1,310	1,166
Dividend income from a former associate	-	(313)
Gain on disposal of other investments	-	(971)
Interest expense on:		
- borrowings	240	205
- lease liabilities	111	222
Interest income	(2)	(2)
Inventories written down	292	189
Reversal of impairment loss on trade receivables	(66)	(18)
Unrealised gain on foreign exchange	(505)	-
Operating profit before changes in working capital	7,535	19,754
Changes in working capital		
Inventories	(1,714)	(4,116)
Trade and other receivables	(1,451)	4,539
Trade and other payables	1,112	594
Cash generated from operations	5,482	20,771
Interest received	2	2
Tax paid	(3,263)	(5,930)
Net cash from operating activities	2,221	14,843

WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾ (CONTINUED)

	Unaudited Current Year- to-date 31.12.2022 RM '000	Audited Preceding Year Year-to-date 31.12.2021⁽²⁾ RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of:		
- property, plant and equipment	(650)	(284)
- right-of-use assets	-	(16)
Disposal of other investments	-	1,242
Dividend received from a former associate	-	313
Net cash generated from / (used in) investing activities	(650)	1,255
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(22,822)
Drawdowns of borrowings	55,181	62,348
Payments of lease liabilities	(2,245)	(2,002)
Proceeds from issuance of shares	10,000	3,107
Proceeds from issuance of shares to non-controlling interests	19	-
Repayments of borrowings	(60,391)	(55,079)
Net cash from / (used in) financing activities	2,564	(14,448)
Net increase in cash and cash equivalents	4,135	1,650
Effects of exchange rate changes on cash and cash equivalents	453	208
Cash and cash equivalents at beginning of financial period	5,882	4,024
Cash and cash equivalents at end of financial period	10,470	5,882

Notes:

- The basis of the preparation of the Unaudited Condensed Combined Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS 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.

This is the second interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2022 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 27 December 2022 and the accompanying notes attached to this interim financial report.

A2 –Basis of Accounting

The significant accounting policies and methods of computation adopted by the Group in this interim financial report is consistent with those adopted as disclosed in the Accountants’ Report as disclosed in the Prospectus of the Company dated 27 December 2022.

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 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of financial statements – Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

A3 – Declaration on Audit Qualification

The audited financial statements of the Group for the financial year ended 31 December 2021 was not subject to any audit qualification.

A4 – Seasonal or Cyclicity of Operations

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

A5 – Items of Unusual Nature, Size or Incidence

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

A6 – Material changes in Accounting Estimates

There were no material changes in accounting estimates during the current financial quarter and period under review.

A7 – Debt and Equity Securities

On 9 March 2022, the Company increased its share capital to RM12,000,000 by way of allotment of 10,000,000 ordinary shares in Wellspire (“Shares”) for the consideration of RM10,000,000, to defray estimated expenses for the listing and future working capital of Wellspire.

On 30 November 2022, the Company had completed the share split exercise which involved subdivision of every 1 existing ordinary share into 25 ordinary shares. Arising from this, the issued share capital of the Company has increased from 23,501,000 Shares to 587,525,000 Shares. The purpose of the share split is to enhance the liquidity of the Company’s Shares in conjunction with the Company’s Listing, further details of which is stated in note A11 herein.

Save as disclosed above, there were no other issuances, cancellation, repurchases, resales and repayment of debts and equity securities during the current financial quarter and period under review.

WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

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

A8 – Dividends Paid

There was no dividend declared or paid during the current financial quarter and period 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 and investment holding, which are not of a sufficient size to be reported separately.

Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group has only one (1) reportable segment.

A10 – Valuation of Property, Plant and Equipment

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

A11 – Material Subsequent Events

The Company had on 16 January 2023 successfully listed its entire issued share capital 712,125,000 Shares on the ACE Market of Bursa Securities (“Listing”).

In conjunction with the Company’s Listing, on 27 December 2022, the Company issued its Prospectus for its initial public offering which entails:

- I. Public issue of 124,600,000 new Shares (“**Public Issue Shares**”) at an IPO price of RM0.23 per share in the following manner:
 - a) 36,000,000 Public Issue Shares for application by the Malaysia Public;
 - b) 10,000,000 Public Issue Shares for application by our eligible Directors, employees and persons who have contributed to the success of the Group;
 - c) 78,600,000 Public Issue Shares by way of private placement to selected investors: and
- II. Offer for sale of 124,600,000 existing Shares by way of private placement to selected investors.

Save as disclosed above, there were no other material events after the end of the current financial quarter and period under review that have not been reflected in this interim financial report as at the date of this interim financial report.

A12 – Changes in the Composition of The Group

In conjunction with and as an integral part of the Listing, the Company had on 29 November 2022 completed the acquisition of the entire issued share capital of Vine Growth, and thereafter the Vine Growth became a wholly-owned subsidiary of the Group.

Save as disclosed above, there were no other material changes in the composition of the Group for the current financial quarter and period 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.

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WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ('MFRS') 134, INTERIM FINANCIAL REPORTING (CONTINUED)**A14 – Capital Commitment**

Save as disclosed below, there were no capital commitments:

**Unaudited
As at
31.12.2022
RM'000**

Capital expenditure in respect of purchase of property, plant, and equipment:

- Approved but not contracted for

16,000**A15 – Related Party Transaction**

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

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	Unaudited Current Year Quarter 31.12.2022 RM'000	Unaudited Current Year-to-date 31.12.2022 RM'000

Domestic delivery services expense paid to a former related party ⁽¹⁾

-

684

Rental expenses paid to a related party

423

1,691

Note:

1. The Promoters and substantial shareholders have disposed their shares in the related company on 28 June 2022.

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WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

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

	Current Year Quarter 31.12.2022	Preceding Year Corresponding Quarter 31.12.2021	Current Year-to- date 31.12.2022	Preceding Year Corresponding Year-to-date 31.12.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	32,577	N/A	123,366	136,707
Gross profit	6,463	N/A	25,955	38,172
Profit/ (Loss) before tax	(170)	N/A	5,901	19,101

Results for current quarter:

The Group achieved revenue of RM32.58 million for the current quarter ended 31 December 2022. The revenue were derived from customers located in Thailand. Revenue from sales of sunflower seeds accounted for RM30.54 million or 93.74% of the total revenue whereas the sales of other snack foods accounted for RM2.04 million or 6.26% of the total revenue for the for the current quarter ended 31 December 2022. Material costs constituted the largest component in the Group's cost of sales which accounted for RM25.6 million or 97.97% of its total cost of sales of amounting to RM26.11 million for the current quarter ended 31 December 2022.

Overall, the Group recorded loss before tax of RM0.17 million for the current quarter ended 31 December 2022 after expensing off professional fee in relation to the IPO of RM1.39 million which is one-off and non-recurring in nature.

Results for financial year-to-date:

The Group achieved revenue of RM123.37 million for the financial year-to-date, which were derived from customers located in Thailand. Revenue from sales of sunflower seeds accounted for RM114.60 million or 92.89% of the total revenue whereas the sales of other snack foods accounted for RM8.77 million or 7.11% of the total revenue for the for the financial year-to-date. Material costs constituted the largest component in the Group's cost of sales which accounted for RM 95.23 million or 97.76% of its total cost of sales amounting to RM97.41 million for the financial year-to-date.

The Group recorded gross profit of RM25.96 million, and profit before tax of RM5.90 million for the financial year-to-date after expensing off professional fee in relation to the IPO of RM3.96 million which is one-off and non-recurring in nature.

B2 – Comparison with immediate preceding quarter's results

	Current Year Quarter 31.12.2022	Preceding Quarter 30.09.2022
	RM'000	RM'000
Revenue	32,577	30,280
Gross profit	6,463	5,822
Profit/ (Loss) before tax	(170)	2,185

The Group registered higher revenue of RM32.58 million for the current financial quarter as compared to RM30.28 million in the preceding quarter. The Group recorded loss before tax of RM0.17 million as compared to a profit before tax of RM2.19 million in the preceding quarter. The loss before tax for the current quarter was mainly due to expensing off professional fee in relation to the IPO of RM1.39 million which is one-off and non-recurring in nature.

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WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

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

B3 –Prospects and Outlook for the Current Financial Year

As disclosed in the Prospectus of the Company dated 27 December 2022, the Group will implement the following future plans:

- a) As part of the Group's business strategies, the Group intends to acquire/ construct a warehouse and operating facility as a long-term investment to increase the Group's asset base instead of renting the distribution centre. The Group intends to allocate up to RM16.00 million of the IPO proceeds to be utilised within 18 months from its listing, to explore its options either to acquire the abovementioned existing distribution centre from the Promoters or to acquire a new warehouse and operational facility at another suitable location in Thailand.
- b) As a distributor of consumer packaged snack foods to operators of large chain retail outlets, the Group will continue to expand its range of products to include other types of snack foods as the Group has market access to a large potential end-consumer base. In this respect, the Group plans to widen its existing range of third-party brands of consumer packaged snack foods.

We have identified 1 new third-party brand for konjac and gluten snacks from China. In May 2022, we were appointed as an agent for the Thailand market by the brand owner and manufacturer of the konjac and gluten snacks. However, we only obtained Food and Drug Administration of Thailand's approvals in June and August 2022 for a total of 7 products. We target to launch these products by first quarter of year 2023.

- c) Part of the Group's plan is to enhance the features of its existing e-commerce platform operated by its subsidiary, Keymall Retail, to further complement its existing business model and to increase its online presence. The Group's existing e-commerce platform has basic features to showcase its product offerings on the website which does not have a payment gateway system, and is only available in Thai language. The Group plans to upgrade the platform to be functional by 1st half of year 2023 and to commence operations from the enhanced e-commerce platform. This will be funded through internally generated funds.

In addition to the above, the Group views that the demand for healthy snacks like sunflower seeds and nut products is expected to increase in Thailand as household income and consumer spending are recovering in the post-pandemic phase. Based on the Thai Economic Performance in Q4 of 2022 and the outlook for 2023 press release, issued by the Office National Economic and Social Development Council (Thailand). In 2022, Thailand's economy grew by 2.6%, mainly driven by tourism recovery and continual improvement of domestic demand in both private consumption and investment. The Thai economy in 2023 is expected to expand within the range of 3.0% to 4.0% in 2023, mainly supported by recovery of domestic tourism, expansion of both private and public investments, improved domestic demand and the growth of agricultural sector. Based on the above, Wellspire remains positive of the Group's ability to continue achieving satisfactory financial performance in the future.

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.

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WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B5 – Tax Expense**

	Individual Period Unaudited Current Year Quarter 31.12.2022 RM'000	Cumulative Period Unaudited Current Year-to- date 31.12.2022 RM'000
<u>Taxation</u>		
- Malaysia	-	-
- Outside Malaysia	263	2,120
	263	2,120
<u>Deferred tax</u>		
- Malaysia	-	-
- Outside Malaysia	144	827
	144	827
Tax expense	407	2,947
Profit / (Loss) before taxation	(170)	5,901
Effective tax rate	N/A	49.94%

The higher effective tax rate of the Group as compared to the Thailand statutory tax rate for the current financial period 20% was mainly due to the non-deductibility of certain expenses and tax effects of origination of temporary differences on undistributed retained earnings of combined entities for the financial period ended 31 December 2022. 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

Save for the IPO as disclosed in Note A11, 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 gross proceeds of approximately RM28.66 million to be raised from the IPO are intended to be utilised in the following manner:

Details of utilisation	Estimated Timeframe for the utilisation upon listing⁽¹⁾	Proposed Utilisation RM'000
Acquire/ construct a warehouse and operational facility in Thailand	Within 18 months	16,000
Working capital	Within 6 months	5,958
Estimated listing expenses ⁽²⁾	Within 3 months	6,700
Total		28,658

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company. The IPO proposal was completed on 16 January 2023 and the actual utilisation of proceeds will be disclosed in the next quarter.
- (2) Approximately RM5.81 million listing expenses has been incurred and paid as at the date of this interim report.

WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B8 – Group Borrowings**

Total Group borrowings as at 31 December 2022 are as follows:

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Term loan (Thai Baht (“THB”))	221	221	-
	<u>221</u>	<u>221</u>	<u>-</u>
Short-term bank borrowings			
Term loan (THB)	97	97	-
Revolving credit (THB)	2,544	-	2,544
Invoice financing (THB)	2,436	2,436	-
	<u>5,077</u>	<u>2,533</u>	<u>2,544</u>

All of the above borrowings are denominated in THB and are secured except for the THB- denominated revolving credits.

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 is not aware of any material proceedings pending or of any fact likely to give rise to any proceedings.

B10 – Dividends

There was no dividend declared or paid during the current financial quarter under review.

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WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

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

The earnings / (loss) per share of the current financial quarter and financial year-to-date are calculated as follows:

	Unaudited Current Year Quarter 31.12.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2021⁽¹⁾ RM'000	Unaudited Current Year-to- date 31.12.2022 RM'000	Audited Preceding Year Year-to- date 31.12.2021⁽¹⁾ RM'000
Profit attributable to the Owners of the Company	(896)	N/A	1,138	11,120
Number of ordinary shares ('000)	587,525	N/A	587,525	587,525
Basic/ Diluted EPS (sen) ⁽²⁾	(0.15)	N/A	0.19	1.89
Based on enlarged ordinary shares in issue after the Pre-IPO Exercise and IPO:				
Number of ordinary shares ('000)	712,125	N/A	712,125	712,125
Basic/ Diluted EPS (sen) ⁽³⁾	(0.13)	N/A	0.16	1.56

Notes

1. This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2022 announced in compliance with Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.
2. Basic earnings / (loss) per share is calculated based on 587,525,000 ordinary shares, which were assumed to be in issue as the acquisition of Vine Growth Holdings Pte Ltd and its subsidiaries were accounted for under the merger method of accounting.
3. Basic/ Diluted EPS is calculated based on the Company's enlarged issued share capital of 712,125,000 ordinary as at 16 January 2023.

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WELLSPIRE HOLDINGS BERHAD

Registration No: 202101026155 (1426455-A)

Interim Financial Report for the Financial Period ended 31 December 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B12 – Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income**

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

	Current Year Quarter 31.12.2022 RM'000	Current Year-to- date 31.12.2022 RM'000
Depreciation of :		
- property, plant and equipment	80	254
- right-of-use assets	332	1,310
Interest expenses on :		
- lease liabilities	16	111
- borrowings	39	240
Inventories written down	95	292
Listing expenses	1,392	3,962
Interest income	(1)	(2)
Realised gain on foreign exchange	(18)	(193)
Provision / (Reversal) of impairment loss on trade receivables	10	(66)
Unrealised (gain) / loss on foreign exchange	370	(505)

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

B13 – Derivative

The Group did not enter into any derivatives during the current quarter and financial year-to-date.