

WMG HOLDINGS BHD.

201501041664(1166985-X)

(Incorporated in Malaysia)

Unaudited Interim Financial Statements

For The Fourth Quarter Ended 31 December 2023

WMG HOLDINGS BHD.

201501041664 (1166985-X)

Interim financial statements for the fourth quarter ended 31 December 2023

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Condensed Consolidated Statement of Comprehensive Income

| | Note | Individual Quarter | | Financial Year-to-date | |
|---|------|--------------------|------------|------------------------|------------|
| | | 3 months ended | | 12 months ended | |
| | | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 8 | 29,583 | 34,808 | 123,729 | 78,034 |
| Cost of sales | | (21,790) | (25,395) | (95,083) | (52,780) |
| Gross profit | | 7,793 | 9,413 | 28,646 | 25,254 |
| Other income | | 1,039 | 633 | 4,680 | 3,708 |
| Other expenses | 9 | (3,186) | (462) | (4,427) | (1,935) |
| Selling and marketing expenses | | (146) | (1,429) | (2,423) | (2,554) |
| Finance costs | | (3,335) | (3,100) | (13,057) | (12,065) |
| Administrative expenses | | (4,317) | (3,835) | (14,156) | (13,508) |
| Profit/(Loss) from operations | | (2,152) | 1,220 | (737) | (1,100) |
| Interest income | | 218 | 81 | 770 | 276 |
| Profit/(Loss) before tax | 10 | (1,934) | 1,301 | 33 | (824) |
| Income tax expense | 12 | 109 | (350) | (2,008) | (2,349) |
| Profit/(loss) for the period | | (1,825) | 951 | (1,975) | (3,173) |
| Other comprehensive income, net of tax: | | - | - | - | - |
| Total comprehensive income/(loss) for the period | | (1,825) | 951 | (1,975) | (3,173) |
| Income/(loss) attributable to owners of the Company | | (1,825) | 951 | (1,975) | (3,173) |
| Total comprehensive income/(loss) attributable to owners of the Company | | (1,825) | 951 | (1,975) | (3,173) |
| Earnings/(Loss) per share attributable to owners of the Company: | 13 | Sen | Sen | Sen | Sen |
| - Basic | | (0.53) | (0.21) | (1.48) | (1.62) |
| - Diluted | | (0.16) | 0.08 | (0.17) | (0.27) |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Financial Position

| ASSETS | Note | AS AT 31/12/2023 RM'000 | AS AT 31/12/2022 RM'000 |
|--------------------------------|-------------|--|--|
| Non-current Assets | | | |
| Property, plant and equipment | | 23,380 | 24,276 |
| Investment properties | 15 | 93,029 | 96,480 |
| Deferred tax assets | | 9,668 | 10,720 |
| Inventory properties | 14 | 110,417 | 110,822 |
| | | <u>236,494</u> | <u>242,298</u> |
| Current Assets | | | |
| Inventory properties | 14 | 94,533 | 128,407 |
| Trading inventories | | 539 | 226 |
| Trade and other receivables | | 33,611 | 41,373 |
| Prepayment | | 313 | 558 |
| Contract assets | | 21,546 | 6,178 |
| Income tax refundable | | 130 | 505 |
| Cash and bank balances | 18 | 24,540 | 21,925 |
| | | <u>175,212</u> | <u>199,172</u> |
| Total Assets | | <u>411,706</u> | <u>441,470</u> |
| EQUITY AND LIABILITIES | | | |
| Current Liabilities | | | |
| Loans and borrowings | 17 | 115,524 | 146,933 |
| Lease liabilities | | 255 | 292 |
| Trade and other payables | | 35,158 | 32,724 |
| Tax payable | | 4,620 | 8,067 |
| | | <u>155,557</u> | <u>188,016</u> |
| Net current assets | | <u>19,655</u> | <u>11,156</u> |
| Non-current Liabilities | | | |
| Loan and borrowings | 17 | 84,167 | 79,522 |
| Lease liabilities | | 437 | 74 |
| Deferred tax liabilities | | 3,908 | 4,246 |
| | | <u>88,512</u> | <u>83,842</u> |
| Total Liabilities | | <u>244,069</u> | <u>271,858</u> |
| Net Assets | | <u>167,637</u> | <u>169,612</u> |

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Condensed Consolidated Statement of Financial Position (cont'd)**EQUITY AND LIABILITIES (cont'd)**

| | Note | AS AT 31/12/2023 RM'000 | AS AT 31/12/2022 RM'000 |
|--|------|-------------------------------|-------------------------------|
| Equity attributable to owners of the Company | | | |
| Share capital | 16 | 231,343 | 231,343 |
| Redeemable convertible preference | 16 | 149,173 | 149,173 |
| Irredeemable convertible preference | 16 | 203,339 | 203,339 |
| Merger deficit | | (312,039) | (312,039) |
| Accumulated losses | | (104,179) | (102,204) |
| Total Equity | | <u>167,637</u> | <u>169,612</u> |
| Total Equity and Liabilities | | <u>411,706</u> | <u>441,470</u> |
| Net assets per share attributable to owners of the Company (RM) | | 0.38 | 0.38 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity

| | Note | Share capital | RCPS | ICPS | Merger deficit | Accumulated losses | Total Equity |
|---|------|------------------|----------------|----------------|------------------|--------------------|----------------|
| | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 Jan 2023 | | 231,343 | 149,173 | 203,339 | (312,039) | (102,204) | 169,612 |
| Total comprehensive loss for the period | | - | - | - | - | (1,975) | (1,975) |
| At 31 December 2023 | | <u>231,343</u> | <u>149,173</u> | <u>203,339</u> | <u>(312,039)</u> | <u>(104,179)</u> | <u>167,637</u> |
| At 1 Jan 2022 | | 231,343 | 149,173 | 203,339 | (312,039) | (99,031) | 172,785 |
| Total comprehensive loss for the period | | - | - | - | - | (3,173) | (3,173) |
| At 31 December 2022 | | <u>231,343</u> | <u>149,173</u> | <u>203,339</u> | <u>(312,039)</u> | <u>(102,204)</u> | <u>169,612</u> |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Cash Flows

| | 12 months ended | |
|--|-----------------|---------------|
| | 31/12/2023 | 31/12/2022 |
| Note | RM'000 | RM'0000 |
| Cash flows from operating activities | | |
| Profit/(loss) before tax | 33 | (824) |
| Adjustments for: | | |
| Depreciation | 4,958 | 5,223 |
| Finance costs | 13,057 | 12,065 |
| Interest income | (770) | (276) |
| Impairment of trade and other receivables | 96 | 6 |
| Gain on disposal of property, plant and equipment | (90) | (102) |
| Gain on disposal of investment property | (584) | - |
| Inventories written down | 41 | 9 |
| Inventories written off | 44 | 60 |
| Reversal of impairment loss on trade and other receivables | (27) | (153) |
| Reversal of inventories written down | (49) | (7) |
| | <u>16,676</u> | <u>16,825</u> |
| Operating profit before working capital changes | 16,709 | 16,001 |
| Decrease in inventory properties | 34,279 | 15,304 |
| (Increase)/decrease in trading inventories | (351) | 36 |
| Decrease/(increase) in receivables | 8,014 | (13,861) |
| (Increase)/decrease in contract assets | (15,367) | 11,314 |
| Increase in payables | 2,439 | 8,957 |
| Cash flows from operations | <u>45,723</u> | <u>37,751</u> |
| Interest paid | (68) | (225) |
| Interest received | 745 | 247 |
| Income tax refunded | 323 | 28 |
| Income tax paid | (4,689) | (152) |
| Real Property Gains tax paid | (57) | - |
| Net cash flows from operating activities | <u>41,977</u> | <u>37,649</u> |
| Cash flows from investing activities | | |
| Additions to investment properties | - | (2) |
| Interest income received | 26 | 28 |
| Increase of deposits | (18) | (20) |
| Proceeds from disposal of other investment | - | 31 |
| Proceeds from disposal of plant and equipment | 90 | 102 |
| Proceeds from disposal of investment property | 688 | - |
| Purchase of plant and equipment | (78) | (206) |
| Net cash flows from/(used in) investing activities | <u>708</u> | <u>(67)</u> |

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Condensed Consolidated Statement of Cash Flows (cont'd)

| | Note | 12 months ended | |
|---|------|-----------------|-----------------|
| | | 31/12/2023 | 31/12/2022 |
| | | RM'000 | RM'000 |
| Cash flows from financing activities | | | |
| Drawdown of bankers' acceptances | | 12,163 | 128 |
| Drawdown of revolving credits | | 2,000 | 5,700 |
| Drawdown of bridging loan | | 5,829 | 12,010 |
| Drawdown of term loans | | 20,000 | 22,613 |
| Repayment of bankers' acceptances | | (8,122) | (713) |
| Repayment of bridging loan | | (9,329) | (16,370) |
| Repayment of term loan | | (18,630) | (27,450) |
| Repayment of revolving credits | | (31,900) | (12,600) |
| Payment of principal portion of lease liabilities | | (63) | (439) |
| Interest paid | | (13,054) | (11,696) |
| Net cash flows used in financing activities | | <u>(41,106)</u> | <u>(28,817)</u> |
| Net increase in cash and cash equivalents | | 1,579 | 8,765 |
| Cash and cash equivalents at beginning of financial year | | <u>18,309</u> | <u>9,544</u> |
| Cash and cash equivalents at end of financial year | 18 | <u>19,888</u> | <u>18,309</u> |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Interim financial statements for the fourth quarter ended 31 December 2023

(A) Notes to the interim financial statements**1) Basis of preparation**

WMG Holdings Bhd. is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

The unaudited condensed consolidated interim financial statements for the year ended 31 December 2023 have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. The explanatory notes to the interim financial statements provide an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

2) Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for year ended 31 December 2022.

3) Seasonality of operations

The Group's operations are not seasonal and cyclical in nature.

4) Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the interim period under review.

5) Changes in estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or the prior financial year that have a material effect in the interim period under review.

6) Changes in the composition of the Group

There were no changes in the composition of the Group during the interim period under review.

7) Share capital and treasury shares

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim period under review.

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8) Segment information*Business Segments*

| | 12 months ended 31 December 2023 | | | | |
|---|----------------------------------|--------------------|--------------|----------------------------|----------------|
| | Property | Building materials | Others | Adjustment/ Elimination | Consolidated |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | |
| External | 102,776 | 20,953 | - | - | 123,729 |
| Inter-segment | - | 38 | - | (38) | - |
| Total | 102,776 | 20,991 | - | (38) | 123,729 |
| Results | | | | | |
| Depreciation | 4,885 | 73 | - | - | 4,958 |
| Interest income | 311 | 459 | - | - | 770 |
| Gain on disposal of investment property | - | - | 584 | - | 584 |
| Segment profit/(loss) | (202) | 463 | (228) | - | 33 |

9) Other expenses

Included in other expenses for the current quarter is an amount of RM2.7 million for quit rent expenses as notified by the Lands and Surveys Department.

10) Profit/(Loss) before tax

Included in the loss before tax are the following items:

| | Individual Quarter | | Financial Year-to-date | |
|---|--------------------|------------|------------------------|------------|
| | 3 months ended | | 12 months ended | |
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (a) Interest income | 218 | 81 | 770 | 276 |
| (b) Other income including investment income | 1,039 | 633 | 4,680 | 3,708 |
| (c) Interest expenses | 3,335 | 3,100 | 13,057 | 12,065 |
| (d) Depreciation and amortization | 1,303 | 1,428 | 4,958 | 5,223 |
| (e) Provision for and write off of receivables | (4) | - | 96 | - |
| (f) Provision for and write off/down of inventories | - | - | 36 | 61 |
| (g) Gain/(loss) on disposal of quoted or unquoted investments or properties | - | - | 584 | - |
| (h) Impairment of assets | - | - | - | - |
| (i) Foreign exchange gain/(loss) | - | - | - | - |
| (j) Gain or loss on derivatives | - | - | - | - |

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11) Events after the reporting period

There were no material events subsequent to the end of the interim period.

12) Income tax expense

| | Individual Quarter 3 months ended | | Financial Year-to-date 12 months ended | |
|--------------------|--------------------------------------|----------------------|---|----------------------|
| | 31.12.2023 RM'000 | 31.12.2022 RM'000 | 31.12.2023 RM'000 | 31.12.2022 RM'000 |
| Current income tax | 263 | 7,621 | 1,294 | 8,404 |
| Deferred tax | (372) | (7,271) | 714 | (6,055) |
| | <u>(109)</u> | <u>350</u> | <u>2,008</u> | <u>2,349</u> |

The Group's income tax expense for the current quarter and year is mainly due to losses of certain subsidiaries which cannot be set off against taxable profits of other subsidiaries within the Group and deferred taxation.

13) Earnings/(Loss) per share

| | Individual Quarter 3 months ended | | Financial Year-to-date 12 months ended | |
|--|--------------------------------------|----------------------|---|----------------------|
| | 31.12.2023 RM'000 | 31.12.2022 RM'000 | 31.12.2023 RM'000 | 31.12.2022 RM'000 |
| Earnings/(loss) net of tax attributable to owners of the Company (RM'000) | (1,825) | 951 | (1,975) | (3,173) |
| Less: cumulative dividend on RCPS | <u>(2,735)</u> | <u>(2,735)</u> | <u>(10,850)</u> | <u>(10,850)</u> |
| Loss net of tax attributable to owners of the Company used in the computation of basic earnings/(loss) per share (RM'000) | (4,560) | (1,784) | (12,825) | (14,023) |
| Add back: cumulative dividend on RCPS | <u>2,735</u> | <u>2,735</u> | <u>10,850</u> | <u>10,850</u> |
| Earnings/(loss) net of tax attributable to owners of the Company used in the computation of diluted earnings/(loss) per share (RM'000) | <u>(1,825)</u> | <u>951</u> | <u>(1,975)</u> | <u>(3,173)</u> |
| Weighted average number of ordinary shares for basic earnings/(loss) per share computation ('000) | 867,149 | 867,149 | 867,149 | 867,149 |
| Effect of dilution – RCPS ('000) | <u>310,000</u> | <u>310,000</u> | <u>310,000</u> | <u>310,000</u> |
| Weighted average number of ordinary shares for diluted earnings/(loss) per share computation ('000) | <u>1,177,149</u> | <u>1,177,149</u> | <u>1,177,149</u> | <u>1,177,149</u> |
| Basic loss per share (sen) | <u>(0.53)</u> | <u>(0.21)</u> | <u>(1.48)</u> | <u>(1.62)</u> |
| Diluted earnings/(loss) per share (sen) | <u>(0.16)</u> | <u>0.08</u> | <u>(0.17)</u> | <u>(0.27)</u> |

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14) Inventory properties

| | As at 31.12.2023 | As at 31.12.2022 |
|------------------------------------|-------------------------|-------------------------|
| | RM'000 | RM'000 |
| Non-current | | |
| Land held for property development | 110,417 | 110,822 |
| Current | | |
| Land held for property development | 25,667 | 42,355 |
| Properties under development | 32,130 | 24,254 |
| Completed properties | 36,736 | 61,798 |
| | <u>94,533</u> | <u>128,407</u> |
| | <u>204,950</u> | <u>239,229</u> |

(a) Land held for property development

| | As at 31.12.2023 | As at 31.12.2022 |
|--|-------------------------|-------------------------|
| | RM'000 | RM'000 |
| At beginning of period | 110,822 | 148,757 |
| Additions | 903 | 1,430 |
| Transfer to land held for property development (current) | - | (42,355) |
| Transfer (to)/from properties under development | (1,308) | 3,146 |
| Disposal | - | (156) |
| At end of period | <u>110,417</u> | <u>110,822</u> |

As at 31.12.2023, the Group has a total land bank for development of approximately 652 acres, comprising 475 acres in Sandakan and 177 acres in Kota Kinabalu.

(b) Properties under development

| | As at | As at |
|---|-------------------|--------------------|
| | 31.12.2023 | 31.12.2022 |
| | RM'000 | RM'000 |
| Balance at cost | <u>32,130</u> | <u>24,254</u> |
| | Long-term | Development |
| | leasehold | expenditure |
| | RM'000 | RM'000 |
| Cumulative property development cost | | Total |
| At 01.01.2023 | 5,623 | 18,631 |
| Cost incurred during the period | 2,287 | 32,465 |
| Recognised in profit and loss | (1,270) | (25,606) |
| At 31.12.2023 | <u>6,640</u> | <u>25,490</u> |
| | | <u>32,130</u> |

As at 31.12.2023, these represent the ongoing residential project, Parklane 2 terrace house of RM30.95 million with percentage of completion of 56% and projects to be launched of RM1.18 million.

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(c) Land held for property development (Current)

| | As at 31.12.2023 | As at 31.12.2022 |
|------------------------|-------------------------|-------------------------|
| | RM'000 | RM'000 |
| At beginning of period | 42,355 | 41,142 |
| Additions | 58 | 1,213 |
| Disposal | (16,746) | - |
| At end of period | <u>25,667</u> | <u>42,355</u> |

These represent the book value of lands proposed to be disposed of as announced on 11 November 2022.

15) Investment properties

Included is Mydin Hypermarket with a net carrying amount as at 31 December 2023 of RM62.44 million. (2022: RM65.25 million)

16) Share capital, RCPS and ICPS

The details of share capital, RCPS and ICPS of the Company are as follows:-

| | No. of Ordinary Shares | Amount RM |
|--|-------------------------------------|----------------------|
| Share capital | | |
| As at 01.01.2023 and 31.12.2023 | <u>444,585,469</u> | <u>231,343,259</u> |
| | No. of Preference Shares | Amount RM |
| Redeemable convertible preference shares (RCPS) | | |
| As at 01.01.2023 and 31.12.2023 | <u>155,000,000</u> | <u>149,172,930</u> |
| Irredeemable convertible preference shares (ICPS) | | |
| As at 01.01.2023 and 31.12.2023 | <u>211,281,792</u> | <u>203,338,864</u> |

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17) Loan and borrowings

The Group's borrowings and debt securities are as follows:

| | As at fourth quarter ended 31.12.2023 | | | As at fourth quarter ended 31.12.2022 | | |
|---------------------------|--|---------------|---------------------|--|---------------|---------------------|
| | Long Term | Short Term | Total borrowings | Long Term | Short Term | Total borrowings |
| Secured | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Bankers' acceptances (BA) | - | 4,041 | 4,041 | - | - | - |
| Revolving credits (RC) | - | 98,500 | 98,500 | - | 128,400 | 128,400 |
| Overdraft (OD) | - | 3,124 | 3,124 | - | 2,106 | 2,106 |
| Bridging loan (BL) | 11,948 | 64 | 12,012 | 6,758 | 8,605 | 15,363 |
| Term loans (TL) | 72,219 | 9,795 | 82,014 | 72,764 | 7,822 | 80,586 |
| | 84,167 | 115,524 | 199,691 | 79,522 | 146,933 | 226,455 |

The interest rates for BA, RC, TL, BL and OD generally range from 1% to 2% above the cost of fund and the lending rate of the respective banks.

There are no borrowings denominated in foreign currency.

18) Cash and Cash Equivalents

| | As at 31.12.2023 RM'000 | As at 31.12.2022 RM'000 |
|---|-------------------------------|-------------------------------|
| Fixed deposits | 1,528 | 1,510 |
| Cash on hand and at banks | 23,012 | 20,415 |
| Cash and bank balances | <u>24,540</u> | <u>21,925</u> |
| Less: deposits pledged for banking facilities | (1,528) | (1,510) |
| Less: bank overdrafts | <u>(3,124)</u> | <u>(2,106)</u> |
| | <u>19,888</u> | <u>18,309</u> |

19) Contingencies

There were no changes in contingent liabilities since the last balance sheet date, 31 December 2023 to 23 February 2024, the latest practicable date which is not earlier than 7 days from the issue of this interim financial statements.

20) Dividends

For the year ended 31 December 2023, the Directors do not recommend payment of dividend. (2022: Nil).

The total dividend for the current financial year is Nil (2022: Nil).

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Interim financial statements for the fourth quarter ended 31 December 2023

(B) Additional information required by Bursa Malaysia Securities Berhad's Listing Requirements**1. Performance review**

The Group's performance is as tabulated below:

| | Individual Quarter | | | | Financial Year to date | | | |
|--|--------------------|------------|---------|-----|------------------------|------------|---------|-----|
| | 3 months ended | | | | 12 months ended | | | |
| | 31.12.2023 | 31.12.2022 | Changes | | 31.12.2023 | 31.12.2022 | Changes | |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 29,583 | 34,808 | (5,225) | 15 | 123,729 | 78,034 | 45,695 | 59 |
| Gross profit | 7,793 | 9,413 | (1,620) | 17 | 28,646 | 25,254 | 3,392 | 13 |
| Profit/(loss) before interest and tax | 1,401 | 4,401 | (3,000) | 68 | 13,090 | 11,241 | 1,849 | 16 |
| Profit/(loss) before tax | (1,934) | 1,301 | (3,235) | 249 | 33 | (824) | 857 | 104 |
| Profit/(loss) after tax | (1,825) | 951 | (2,776) | 292 | (1,975) | (3,173) | 1,198 | 38 |
| Profit/(loss) attributable to ordinary equity holders of the Company | (1,825) | 951 | (2,776) | 292 | (1,975) | (3,173) | 1,198 | 38 |

For the current quarter ended 31 December 2023, the Group recorded revenue of RM29.58 million and loss after tax of RM1.83 million as compared to the corresponding quarter's revenue of RM34.81 million and profit after tax of RM0.95 million. The lower revenue for the current quarter as compared to the previous corresponding quarter was mainly due to higher sale of commercial properties in the previous corresponding quarter.

For the current year ended 31 December 2023, the Group recorded revenue of RM123.73 million and loss after tax of RM1.98 million as compared to the corresponding year's revenue of RM78.03 million and loss after tax of RM3.17 million.

The higher revenue for the year under review as compared to the previous corresponding year was mainly due to higher sales from the property segment including the sale of land held for development of RM22 million.

The Group generated a total revenue of RM29.58 million and RM123.73 million for the current quarter and period under review. RM24.73 million (84%) and RM102.78 million (83%) were from property segment and RM4.85 million (16%) and RM20.95 million (17%) were from building materials segment respectively.

Sales of properties were at RM22.27 million and RM94.85 million, property letting at RM2.46 million and RM7.86 million for the current quarter and year under review and property management at RM0.07 million for the year under review.

Sales of building materials to contractors engaged by the Group for its property development projects amounted to RM3.88 million and RM15.43 million representing 80% and 74% of the total sales of building materials of RM4.85 million and RM20.95 million for the current quarter and period under review.

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The Group recorded a gross profit of RM28.65 million for the current year under review. After taking into account interest income and other income totalling RM5.45 million and deducting expenses of RM34.06 million (which include finance cost of RM13.06 million, other expenses of RM4.43million, administrative expenses of RM14.16million) and income tax expense of RM2.01 million, the Group incurred a loss after tax of RM1.98 million.

Administrative expenses of RM14.16 million comprised mainly fixed and semi-fixed costs namely staff costs, directors' remuneration, overheads and office expenses (which include depreciation RM0.66 million) of approximately RM4.54 million, RM4.61 million and RM5.01 million respectively.

2. Current quarter compared with immediate preceding quarter

The Group recorded a loss after tax of RM1.83 million for the current quarter under review compared to profit after tax of RM2.59 million for the immediate preceding quarter as follows:-

| | Current quarter | Immediate preceding quarter | Changes | |
|--|-----------------|-----------------------------|----------|-----|
| | 31.12.2023 | 30.09.2023 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 29,583 | 45,870 | (16,287) | 36 |
| Gross profit | 7,793 | 10,699 | (2,906) | 27 |
| Profit before interest and tax | 1,401 | 7,465 | (6,064) | 81 |
| Profit/(loss) before tax | (1,934) | 4,026 | (5,960) | 148 |
| Profit/(loss) after tax | (1,825) | 2,594 | (4,419) | 170 |
| Profit/(loss) attributable to ordinary equity holders of the Company | (1,825) | 2,594 | (4,419) | 170 |

Revenue for the current quarter is lower than the immediate preceding quarter by RM16.29 million or 36% mainly due to recognition of sale of land held for development of RM22 million in the preceding quarter.

For the current quarter under review, revenue from the property segment and building materials segment amounted to RM24.73 million and RM4.85 million respectively as compared to preceding quarter of RM40.92 million and RM4.95 million respectively.

3. Commentary on Prospects

As at 31 December 2023, the Group has unbilled sales of approximately RM33.39 million and the gross development value of unsold units of its ongoing project amounted to approximately RM43.65 million.

The Group has launched Phase 8C consisting of 60 units 2-storey terrace house with an estimated gross development value of RM37.64 million at Taman Indah Jaya Sandakan in the first quarter of 2024.

Barring any unforeseen circumstances, the Directors expect the Group to be profitable in the coming financial year 2024 based on the measures undertaken by the Group to sell its inventory properties.

To further strengthen its financial position going forward, the Group will continue to pursue efforts to monetize certain of its investment properties and /or land bank not identified for development in the near term.

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4. Profits forecast and profit guarantee

The above is not applicable as no profit forecast and profit guarantee were provided.

5. Income tax expense

This is stated in note 12 to the interim financial statements.

6. Corporate proposals

There were no corporate proposals announced but not completed as at 23 February 2024, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements other than the proposed voluntary liquidation/de-registration of non-operating subsidiary, Marimba Sdn Bhd and the proposed disposal of land by subsidiary, Wilakaya Sdn Bhd pertaining to the Proposed Disposals of lands as announced on 11 November 2022.

7. Group borrowings and debt securities

This is stated in note 17 to the interim financial statements.

8. Changes in material litigation

The Group did not have any material litigation as at 23 February 2024, the latest practicable date which is not earlier than 7 days from the date of issue of these interim financial statements.

9. Dividends

This is stated in note 20 to the interim financial statements.

10. Earnings/(loss) per share

This is stated in note 13 to the interim financial statements.

11. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company for the preceding financial year ended 31 December 2022 was not subject to any qualification.

12. Profit/(loss) before tax

Disclosure of items as required under Appendix 9B, Part A(16) of Bursa Malaysia Securities Berhad listing requirements is stated in note 10 to the interim financial statements.

13. Disclosure of derivatives

The Group did not enter into any derivatives during the period ended 31 December 2023 or the previous financial year ended 31 December 2022.

14. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2023 and 31 December 2022.

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15. Breakdown of realised and unrealised profits or losses

The above disclosure in the format prescribed by Bursa Malaysia Securities Bhd is as follows:

| | As at 31.12.2023 RM'000 | As at 31.12.2022 RM'000 |
|---|--|--|
| Total accumulated losses of the Company and its subsidiaries: | | |
| - Realised | (104,179) | (102,204) |
| - Unrealised | - | - |
| | (104,179) | (102,204) |
| Less: Consolidation adjustments | - | - |
| Total Group accumulated losses as per consolidated accounts | (104,179) | (102,204) |
| | | |

(C) Authorisation for issue of interim financial statements

The Board of Directors of the Company had authorised this unaudited interim financial statements for issue on 29 February 2024.