

WELLSPIRE HOLDINGS BERHAD
[REGISTRATION NO. 200701033565 (791593-D)]

- EXPORT AGENCY AGREEMENT BETWEEN CUNDO FOOD CO., LTD AND WELLSPIRE GLOBAL TRADING SDN. BHD.

1.0 INTRODUCTION

The Board of Directors of Wellspire Holdings Berhad (“**Wellspire**” or “**Company**”) wishes to announce that Wellspire Global Trading Sdn. Bhd. (“**Wellspire Global Trading**”), a wholly-owned subsidiary of the Company, had on 13 July 2023 entered into an export agency agreement with Cundo Food Co., Ltd (“**Cundo**”), which shall be for the period from 13 July 2023 to 12 July 2026 (“**Agreement**”).

Wellspire Global Trading has been appointed by Cundo as the exclusive distributor of the “Cundo” brand chocolate coating cake products (“**Export Products**”) in Malaysia, Singapore and Thailand. The Export Products include, Cundo Cake (Milk Flavour), Cundo Cake (Chocolate Flavour) and Cundo Cake (Strawberry Raspberry Flavour).

Cundo is a China-based company and having a place of business at No. 92, East North Ring Road Economic Development Zone, Qing County, Cangzhou City of Hebei Province, China. The company is a well-established large-scale chocolate bakery products manufacturer, integrating research and development, production and sales. It is mainly engaged in Cundo brands, production and sales of chocolate-coated cakes.

2.0 SALIENT TERMS OF THE AGREEMENT

- 2.1 Wellspire Global Trading has been authorised to be the sole distributor of the Export Products in Malaysia, Singapore and Thailand for a period of three (3) years, commencing from 13 July 2023 to 12 July 2026.
- 2.2 During the term of the Agreement, Wellspire Global Trading has been authorised to have its own downstream distributors to carry out legal commercial activities and marketing promotions for the Export Products in Malaysia, Singapore and Thailand.
- 2.3 All batches of the Export Products which is to be exported by Cundo must meet the export testing standards of the Chinese Customs and pass the import testing of the Ministry of Health of Malaysia, Singapore and Thailand, or the equivalent authorities in the respective countries. If Wellspire Global Trading is unable to import any of the Export Products due to failure to pass the import testing or quality problems during the shelf life of the Export Products, Cundo shall be responsible for any losses arising therefrom, including losses arising from return of the designated products.
- 2.4 Upon expiration of the Agreement, priority will be given to Wellspire Global Trading for renewal of the agency rights taking into account of the operation and ability of sales expansion of Wellspire Global Trading during the term of the Agreement.
- 2.5 Any amendment to the Agreement shall be in writing with mutual consent.

2.6 The Agreement shall be governed by laws of Malaysia. Both parties shall make reasonable efforts to settle the disputes by amicable negotiation. Any dispute arising during the valid period of the Agreement, including any dispute arising from and/or in connection with the Agreement, shall refer to the Asian International Arbitration Centre (Malaysia) (“**AIAC**”) for arbitration that shall be conducted in accordance with the AIAC Arbitration Rules in force at the time of the commencement of the arbitration. The arbitration shall be conducted in Kuala Lumpur, Malaysia.

3.0 RATIONALE OF THE AGREEMENT

The Agreement is in line with Wellspire’s group’s strategy to draw on Wellspire’s group’s strength in distributing consumer packaged foods, and broaden the Wellspire group’s revenue stream.

4.0 FINANCIAL EFFECTS OF THE AGREEMENT

The Agreement will not have any material financial impact on the share capital and substantial shareholders’ shareholdings of the Company.

The Agreement is expected to contribute positively to Wellspire’s group earnings per share and net assets per share for the duration of the Agreement.

5.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the directors, major shareholders of Wellspire and/or persons connected with them has any interest, direct or indirect in the Agreement.

6.0 STATEMENT BY DIRECTORS

The Board, after having considered the Agreement, is of the opinion that the Agreement is in the best interest of Wellspire.

7.0 APPROVALS REQUIRED

The Agreement does not require the approval of Wellspire’s shareholders or any relevant authorities.

This announcement is dated 13 July 2023.