



Corporate Governance Overview Statement

INTRODUCTION

The Board of Directors (“Board”) of **Wellspire Holdings Berhad** (“Company” or “Wellspire”) acknowledges the importance of practising good governance practices under the leadership of the Boards of Directors (“Board”), as guided by the best practices recommended in Malaysian Code on Corporate Governance 2021 (“MCCG”) within the Company and the subsidiaries (“the Group”). It is being applied as a fundamental part of discharging the directors’ responsibilities to protect and to enhance shareholders’ value.

The Board of Directors of Wellspire presents this statement to provide shareholders and investors with an overview of the corporate governance (CG) practices of the Group under the leadership of the Board during the financial year ended 31 December 2022 (“FYE 2022”). This statement takes guidance from the key CG principles as set out in the MCCG.

The detailed application for each practice as set out in the MCCG is disclosed in the Corporate Governance Report (“CG Report”) which is available on the Company’s website at www.wellspireholdings.com.

Wellspire adheres and reports based on the following statutory requirements, best practices and guidelines:-

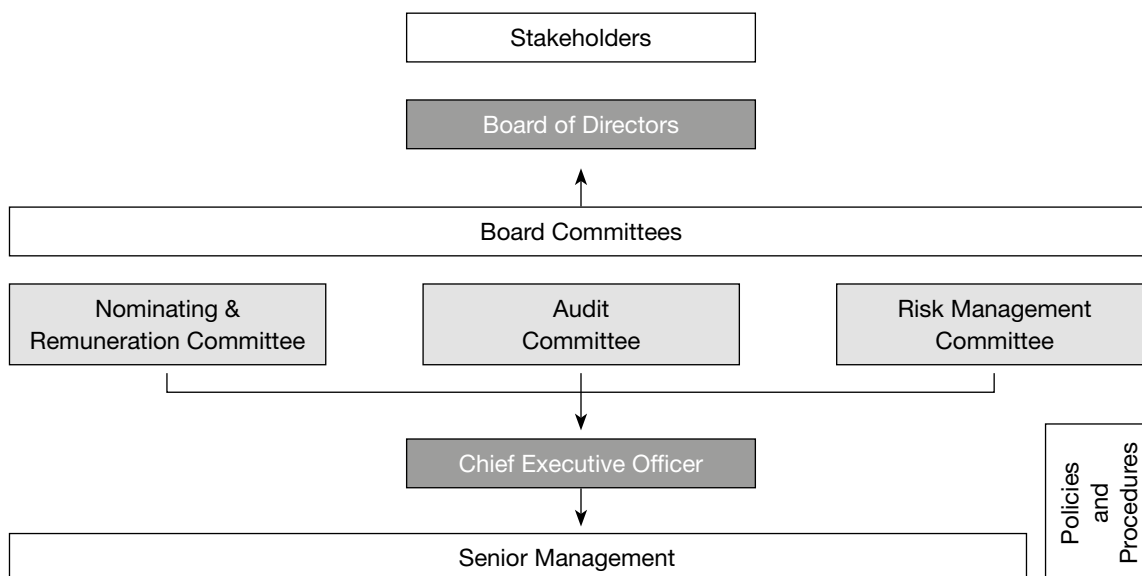
- i. Companies Act 2016 (“CA 2016”)
- ii. Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (“AMLR”)
- iii. Malaysian Code on Corporate Governance 2021 (“MCCG”)
- iv. Corporate Governance Guide: Moving from Aspiration to Actualisation (“CG Guide”).

This Statement gives an overview of how the Company complies with the three (3) main corporate governance principles in MCCG:

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

GOVERNANCE FRAMEWORK

The diagram below describes the governance framework of Wellspire to demonstrate the interaction between the Board and its stakeholders. Wellspire has also in place processes to ensure delegation flows through the Board and its committees and into the organisation.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

THE ROLES AND RESPONSIBILITIES OF THE BOARD

The Board remains resolute and upholds its responsibility in governing, guiding and monitoring the direction of the Company with the eventual objective of enhancing long term sustainable value creation aligned with shareholders' interests whilst taking into account the long-term interests of all stakeholders, including shareholders, employees, customers, business associates and the communities in which the Company conducts its business.

The Board's primary commitment is to lead and oversee the business of the Company and to ensure that the conduct of the Company's operations promotes business sustainability, integrity and complies with the relevant law, rules and regulations. Hence, the Board reviews the strategy of the Company in the Company annual budget meeting. The role of the Board is stated in the Board Charter. A copy of the Board Charter is available on the Company's website at <https://www.wellspireholdings.com>.

SEPARATION ROLES OF THE BOARD CHAIRMAN AND CEO

The Board is led by an Independent Non-Executive Chairman, YHM Tengku Dato' Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah, who provides leadership and is responsible to instil good corporate governance practices and for ensuring the Board's effectiveness so that the Board can perform its responsibilities effectively in facilitating the achievement of the Company's and Group's corporate objectives.

The positions of the Chairman and the Chief Executive Officer ("CEO") are distinct and separate, and are held by separate individuals to create accountability and to ensure that there is a balance of power and authority so that no one individual has unfettered powers in decision making. The primary role of Chairman is to ensure the Board's effectiveness by promoting constructive and open discussion and exchange of views between Board and the Management, as well as to lead discussions on strategies and policies, and to spearhead the Board on its collective oversight responsibilities. The Chairman is not Chairman of any board committee.

Meanwhile, Mr. Mo Guopiao, the CEO is responsible for implementing the Group's strategies, policies and undertake the day-to-day management of business and operations with the view of achieving its corporate objectives, performance targets and long-term goals. He is currently assisted by Tin Jiing Soon, the Chief Financial Officer ("CFO"), Saranjit Wang and Kua Chin Teck, the Executive Directors.

ROLES AND RESPONSIBILITIES OF THE COMPANY SECRETARIES

Presently, the Board is assisted by two (2) qualified company secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regards to the compliance with regulatory requirements, corporate disclosure and governance related issues. All Directors have unrestricted access to the advice and services of the company secretaries. The appointment and removal of the Company Secretaries of the Board Committees shall be the prerogative of the Board as a whole. The Board is regularly updated and apprised by the Company Secretaries on the laws and regulations (or any amendments thereto), as well as directives issued by the regulatory authorities.

The Company Secretaries attend all Board and Committee meetings and ensure the meetings are properly convened, deliberations and decisions made by the Board are accurately minuted, recorded and kept.

Access to Information and Advice

All Directors shall have unrestricted access to the management to any information pertaining to the Group, including access to the advice and services of the Company's auditors and consultants, Company Secretaries, which is relevant to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated, at the expense of the Company.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ROLES AND RESPONSIBILITIES OF THE COMPANY SECRETARIES (CONT'D)

Board Charter

The Board Charter is a comprehensive reference document for Directors on matters relating to the Board, its structure, and its processes. The Board Charter also sets out the roles and responsibilities of the Board, the individual Directors, the Chairman, the CEO and the Company Secretary. In addition, the processes for on boarding of new directors and guidance on training and development and assessment of the Board are also prescribed in the Board Charter. The Board has on 16 March 2022 approved the Board Charter and noted the Board Charter is in line with both MCGG and AMLR of Bursa Securities.

Demarcation of Responsibilities

<p><u>INDEPENDENT NON-EXECUTIVE DIRECTORS</u></p> <ul style="list-style-type: none"> • YHM Tengku Dato' Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah (Chairman) • Tang Yuen Kin • Fazidah Bt Zakaria • Yang Shing Sing 	<p>Their role is to constructively challenge the Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address the matters concerning the management and oversight of the Company's business and operations.</p>
<p><u>EXECUTIVE DIRECTORS</u></p> <ul style="list-style-type: none"> • Mo Guopiao (CEO) • Saranjit Wang • Kua Chin Teck 	<p>Responsible for providing strategic leadership and overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities.</p>

CORPORATE INTEGRITY

Directors' Code of Conduct and Business Ethics and Whistle-Blowing Policy

The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Directors' Code of Conduct and Business Ethics provides guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligation during their appointment.

The Board has also established a Whistle-Blowing policy ("WBP") and procedures in enabling the employees to report on any suspected and/or known misconduct, wrongdoings, corruption, fraud and possible improprieties in financial reporting. Any whistleblower can either email/post his/her complaint letter to Audit Committee Chairman at an email or postal address specified in the policy.

As at the date of this Statement, the Company has not received any complaint under this procedure.

The Code has been reviewed and approved by the Board on 18 May 2022 and WBP has been reviewed and approved by the Board on 16 March 2022 which is available for reference on the Company's website at <https://www.wellspireholdings.com>.

Anti-Bribery and Anti-Corruption Policy

To ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act (Amendment) 2018, the Company had adopted the Company's Anti-Bribery and Anti-Corruption Policy to regulate how the Company, its subsidiaries, directors, employees, contractors, subcontractors, consultants, agents and representatives conduct themselves in their dealings with the Company, at work and with the Company's stakeholders. The Company is committed in ensuring that its subsidiaries and employees conduct themselves in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the relevant legislations. The Company is also committed to a zero-tolerance policy against all forms of bribery and corruption. A copy of the Anti-Bribery and Anti-Corruption Policy (which should be read in conjunction with the Code and WBP) is available on the Company's website at <https://www.wellspireholdings.com>.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

CORPORATE INTEGRITY (CONT'D)

Financial Reporting

The Board aims to provide a balance and meaningful assessment of the Company's financial performance and prospects through the annual financial statements, quarterly announcements of results to shareholders and the Management Discussion and Analysis in the Annual Report. This is led by the Audit Committee. Details of the Audit Committee efforts are as stated in the Audit Committee Report on page 52 of this Annual Report. The Directors' Responsibility Statement in Relation to the Financial Statements by Directors in respect of the preparation of the annual audited financial statements of the Group and the Company is set out on page 56 of this Annual Report.

SUSTAINABILITY AND THE BOARD

The Board acknowledges the importance of integrating sustainability practices in the strategy and operations of the Group to ensure the long-term sustainability of its business. The Board intends to establish a Sustainability Framework and the management of the sustainability measures of the Group will be led by a Sustainability Committee to be set up in due course.

The Board is kept abreast of the Group's sustainability efforts at Board meetings by the CEO.

BOARD COMPOSITION

The Board currently comprises of seven (7) members, made up of three (3) Executive Directors and four (4) Independent Non-Executive Directors. Thus, the Company complies with Rule 15.02 of the AMLR with regards to Board's composition that at least one-third (1/3) of the Board shall consist of Independent Directors. The current board composition is illustrated as below:

Current Directors	Designation	Date of Appointment	Age	Gender	Nationality
Yang Hormat Mulia ("YHM") Tengku Dato' Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah	Independent Non-Executive Chairman	15 March 2022	38	Male	Malaysian
Mo Guopiao	CEO/ Executive Director	6 August 2021	42	Male	Singaporean
Saranjit Wang	Executive Director	1 March 2022	43	Female	Thai
Kua Chin Teck	Executive Director	1 March 2022	41	Male	Malaysian
Tang Yuen Kin	Independent Non-Executive Director	15 March 2022	52	Male	Malaysian
Fazidah Bt Zakaria	Independent Non-Executive Director	15 March 2022	55	Female	Malaysian
Yang Shing Sing	Independent Non-Executive Director	15 March 2022	35	Female	Malaysian

Brief profile of each Directors are detailed under Profile of Directors in this Annual Report.

The current Board consists of individuals of high calibre, experienced and are professionals in their respective fields. Together, this brings a wide range of industry specific knowledge, broad based business and commercial experience that are vital to the Board's success.

All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Rule 15.06 of the AMLR. The profile of each Director is set out in pages 12 to 22 of this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD MEETINGS

There were three (3) board meetings were held for the financial year ended 31 December 2022. At Board Meetings, strategies and performance of the Group are being reviewed and evaluated in the light of any changing circumstances whether economic, social or political.

Attendance at Board meetings as at 31 December 2022

Directors	Attendance
Yang Hormat Mulia (“YHM”) Tengku Dato’ Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah	3/3
Mo Guopiao	3/3
Saranjit Wang	3/3
Kua Chin Teck	3/3
Tang Yuen Kin	3/3
Fazidah Bt Zakaria	3/3
Yang Shing Sing	3/3

The Board meets quarterly to review the Group’s operations and financial performance. Additional meetings would be convened when urgent and important decision by the Board is required between scheduled meetings.

BOARD COMMITTEES

The Board delegates certain responsibilities to the Board Committees, all of which operate within the defined terms of reference to assist the Board in discharging its fiduciary duties and responsibilities. The Board Committees include the Audit Committee (“AC”), Nominating and Remuneration Committee (“NRC”), and Risk Management Committee (“RMC”). The respective committees report to the Board on matters considered and their recommendation thereon for decision-making and approval. The Terms of Reference of the respective Board Committees can be found at the Company’s website: <https://www.wellspireholdings.com>.

The Chairman of the various Board Committees report to the Board on the outcome of the respective Board Committee meetings. Such reports are incorporated in the minutes of the full Board meetings.

Name	Audit Committee (“AC”)	Risk Management Committee (“RMC”)	Nominating & Remuneration Committee (“NRC”)
Tang Yuen Kin	Chairperson	Member	Member
Fazidah Bt Zakaria	Member	Chairperson	Member
Yang Shing Sing	Member	Member	Chairperson

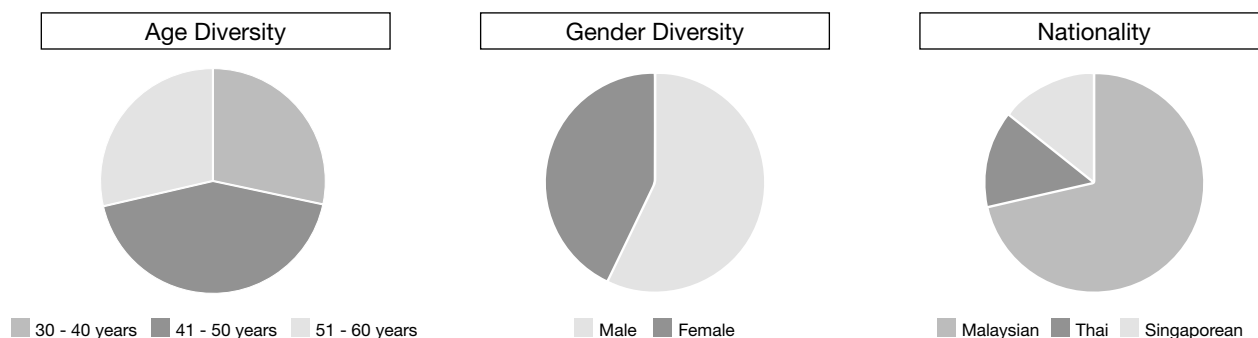
BOARDROOM DIVERSITY

On Boardroom diversity, the Board is supportive of the gender boardroom diversity recommended under the MCGG. The Board through the NRC will continuously review the Board composition taking into consideration the appropriate competence, independence, experience, character, integrity and time to effectively discharge his/her role as a Director. The Board believes that they have met the target of 30% women Directors in line with Practice 5.9 of the MCGG.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARDROOM DIVERSITY (CONT'D)



BOARD INDEPENDENCE

The roles of Independent Non-Executive Directors are vital for the successful direction of the Group as they provide independent professional views, advice and decisions to take into account the interest of the Group, shareholders, employees, customers, suppliers and many others of which the Group conducts business.

Currently, out of seven (7) directors, the Board has four (4) Independent Non-Executive Directors. As at the date of this statement, none of the independent directors have served the Company for a cumulative period exceeding nine (9) years. The Board is mindful of the importance of independence and objectivity in its decision-making process which is in line with good corporate governance, and therefore has established a strong element of independence on the Board.

POLICY ON INDEPENDENT DIRECTOR'S TENURE

The Board is aware that the recommended tenure of an Independent Director should not exceed a cumulative term of nine (9) years as recommended by MCGG and that an Independent Director may only continue to serve the Board if the Independent Director is re-designated as a Non-Independent Non-Executive Director upon completion of the nine (9) years tenure. This policy is prescribed in the Board Charter.

In the event such Director was to be retained as an Independent Director, the Board would to justify in the notice convening the AGM and seek shareholders' approval through two-tier voting process at every AGM.

INDUCTION AND TRAINING FOR BOARD MEMBERS

All newly appointed Directors are required to complete the Mandatory Accreditation Programme under the AMLR.

All Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to enable Directors to effectively discharge their duties and sustain active participation in Board deliberations.

The Board with the assistance of the NRC, shall assess the training needs of the Directors from time to time, to ensure that Directors have access to training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as continuing education programme in order to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

INDUCTION AND TRAINING FOR BOARD MEMBERS (CONT'D)

The following are attendance records of Directors participation in conferences, courses, seminars and training programmes during the financial year ended 31 December 2022:

Name	Courses/Training Programmes
YHM Tengku Dato' Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah ⁽¹⁾	-
Mo Guopiao	Mandatory Accreditation Programme (MAP)
Saranjit Wang	Mandatory Accreditation Programme (MAP)
Kua Chin Teck	Mandatory Accreditation Programme (MAP)
Tang Yuen Kin ⁽¹⁾	iMBA Program, University of Illinois at Urbana-Champaign, United States of America, Post Graduate Program in Data Science and Business Analytics by the McCombs School of Business, University of Texas at Austin, United States of America and Securities Commission's Audit Oversight Board Conversation with Audit Committees
Fazidah Bt Zakaria	Mandatory Accreditation Programme (MAP)
Yang Shing Sing	Mandatory Accreditation Programme (MAP)

⁽¹⁾ The director had attended Mandatory Accreditation Programme (MAP) prior to the Company's Listing

NOMINATING AND REMUNERATION COMMITTEE ("NRC")

The Nominating and Remuneration Committee holds two (2) functions namely the Nominating Function and Remuneration Function. The NRC comprises of three (3) members, all of whom are independent non-executive directors. The composition of the NRC is as follows:

Name	Designation	Directorship
Yang Shing Sing	Chairperson	Independent Non-Executive Director
Fazidah Bt Zakaria	Member	Independent Non-Executive Director
Tang Yuen Kin	Member	Independent Non-Executive Director

Nominating Function

The Nominating Function of NRC include the annual review of the required mix of skills and experience and core competency which Non-Executive Directors should bring to the Board and the annual assessment on the effectiveness of the Board as a whole, the Board Committees and the performance of each existing Director. Under the listing requirements, the NRC is also responsible to review the term of office of the audit committee and performance of the audit committee and each of its members on annual basis.

The NRC intends to conduct an annual Board evaluation through self-assessment questionnaires by individual Board member and the evaluation process will be led by the NRC Chairman supported by its two Members. All assessment and evaluation carried out by NRC in discharge of its duties will be disclosed in the Annual Report.

This Committee is also responsible to conduct the fit and proper assessment prior to the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director. NRC shall recommend to the Board the re-election of directors who retired by rotation pursuant to the Company's Constitution and re-appointment of directors who retired pursuant to relevant sections of the Companies Act 2016. The NRC shall ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to the Board.

Pursuant to the Clause 77(2) & (5) of the Company's Constitution, all the Directors are subject to re-election by rotation, of whom being eligible for re-election, have offered themselves for re-election at this forthcoming AGM.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NOMINATING AND REMUNERATION COMMITTEE (“NRC”) (CONT'D)

Nominating Function (cont'd)

The Board has adopted the Directors' Fit and Proper Policy on 18 May 2022 which is made available on the Company's website at <https://www.wellspireholdings.com>.

Remuneration Function

The remuneration function of NRC is to carry out annual reviews and submit recommendations to the Board on the overall remuneration policy for directors and key senior management team, to ensure that the remuneration policy remains in support of its corporate objectives and shareholder value and is in tandem with its culture and strategy.

In determining the remuneration packages of directors and senior management, the Committee should take into consideration the following:-

- (a) technical competency, skills, expertise and experience;
- (b) qualification and professionalism;
- (c) integrity;
- (d) roles and responsibilities;
- (e) company's performance in managing material sustainability risks and opportunities; and
- (f) aligned with the business and risks strategies, and long-term objectives of the Group.

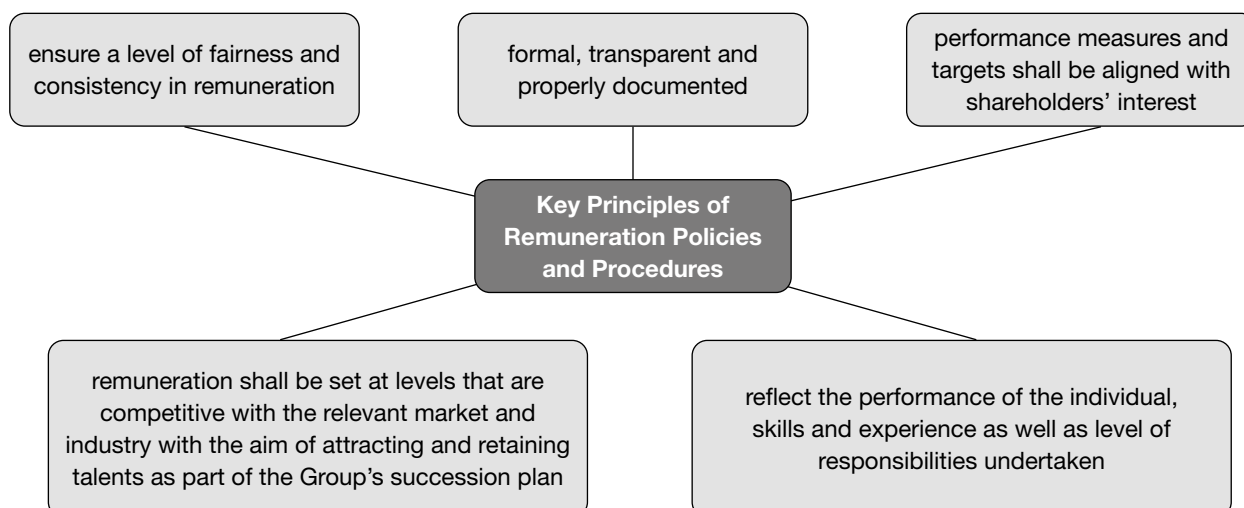
The Committee is also responsible to ensure fees and benefits payable to directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at the General Meetings.

Further details on duties and responsibilities of the NRC may be found in its Terms of Reference which is made available on the Company's website at <https://www.wellspireholdings.com>.

Since the listing of the Company on the ACE Market of Bursa Securities, the NRC have not held any meetings

DIRECTORS' REMUNERATION

The remuneration principles and guidelines for the Board of Directors and Senior Management (defined as personnel in the position of Deputy General Manager and above) of Wellspire Holdings Berhad are set out in the Remuneration Policies and Procedures.





Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTORS' REMUNERATION (CONT'D)

The **objectives** of the Remuneration Policies and Procedures are to:

- (a) create a remuneration structure that is competitive so as to attract, reward, motivate and retain Directors and Senior Management who lead the Group towards realising its corporate strategies and long term objectives;
- (b) provide transparency, clarity and an independent process on compensating Executive Directors and Senior Management, taking into account their experience, knowledge, extent of responsibility and individual performance, including the performance of the Group and prevailing market and industry statistics; and
- (c) provide a structured basis in determining the remuneration of Non-Executive Directors, which shall commensurate with the responsibilities of the Non-Executive Directors, for example their involvement and contribution both in the Board and Board Committees, including attendance at meetings.

Remuneration for Non-Executive Directors (“NED”)

Recommendation Process	<ul style="list-style-type: none"> • The Directors' fees and benefits for NEDs is reviewed by the NRC and recommended by the Board for approval by shareholders at the Company's Annual General Meeting. Directors' fees shall be paid upon receipt of such shareholders' approval. • Assistance of an independent professional adviser may be sought to provide the latest development/information in respect of market and industry statistics on the remuneration of NEDs. • The Directors who are shareholders and controlling shareholders with a nominee or connected director on the board should abstain from voting on the resolution to approve directors' fees at the general meeting
Remuneration Components	<ul style="list-style-type: none"> • Made up of Directors' fees and benefits comprising meeting allowances and directors' indemnity insurance. • The remuneration of NED shall be by a fixed sum, and not by a commission, the percentage of profits, or turnover of the Company.
Annual Review	<ul style="list-style-type: none"> • In considering adjustments to the NEDs' fees and allowances, various factors are taken into account, including a review of market analysis on the subject matter. • The NRC shall determine the remuneration of the Non-Executive Chairman of the Company, and consider whether any increase is considered pertinent to the market and industry statistics on the remuneration of Non-Executive Chairman, taking into account the size of the organisation as well complexity and extent of the responsibility assigned and work performed and thereafter make recommendation for the Board's approval.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration for Executive Directors (“EDs”) and Senior Management

Recommendation Process	<ul style="list-style-type: none"> The EDs and Senior Management shall be provided a letter of appointment, setting out the terms and conditions of engagement, responsibilities for the role and remuneration package. The NRC determines on the remuneration of the EDs and Senior Management based on their roles and responsibilities for the operational management, strategic direction and decision, complexities of business, skills and experience, market rates as well as performance of the individual and financial performance of the Group. The EDs shall recommend the remuneration of Senior Management, who directly report to them, for the consideration of the NRC.
Remuneration Components	<ul style="list-style-type: none"> The EDs and Senior Management are paid a fixed remuneration, consisting of basic salary, allowances and other benefits such as company car and fuel allowance, contribution to the Employees Provident Fund, insurance and medical benefits (including spouse and dependents). Salaries payable to EDs shall not include a commission on or percentage of turnover. The fixed remuneration is set based on relevant market relativities, performance, qualifications, experience and geographic location where the personnel are based. The salary levels for EDs and Senior Management shall take into account the nature of the role, performance of the business and the individual and market positioning. EDs and Senior Management are also eligible for annual bonus payment. The bonus is based on performance against annual measures and targets from the annual plan which is designed to implement the business strategies of the Company and Group.
Annual Review	<ul style="list-style-type: none"> Salaries are normally reviewed annually and may be reviewed more frequently, where appropriate, for example following a substantial change in responsibilities. With the recommendation from the NRC, the Board shall consider the appropriateness of any change in fixed remuneration level/salary adjustments/increments for the EDs and Senior Management based on the role and responsibilities, job size, individual performance, industry standards, labour market conditions and scale of the Group’s business relating to the position. The EDs shall abstain from deliberation and/or voting on their own remuneration at Board meetings.

The details of the Directors’ remuneration received and receivable by Executive and Non-Executive Directors during the financial year under review is as follows:

FYE 2022	Directors’ fees RM’000	Salaries RM’000	Bonuses RM’000	Benefits- in-kind and Allowances RM’000	Total RM’000
Executive Directors					
Saranjit Wang	-	226.2		-	226.2
Kua Chin Teck	-	660.0		256.5	916.5
Non-Executive Directors					
YHM Tengku Dato’ Indera Abu Bakar Ahmad	45.0	-	-	6.0	51.0
Bin Almarhum Tengku Tan Sri Abdullah					
Tang Yuen Kin	35.0	-	-	4.5	39.5
Fazidah Bt Zakaria	35.0	-	-	4.5	39.5
Yang Shing Sing	35.0	-	-	4.5	39.5

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Key Senior Management Personnel's remuneration and benefits

The Board is of the view that disclosure of key senior management's remuneration component on named basis is not in the best interest of the Company due to confidentiality and sensitivity of each their remuneration package, privacy, competition and issue of staff poaching.

Range of Remuneration	No of Key Senior Management
RM50,000 – RM100,000	1
RM200,000 – RM250,000	1
RM300,000 – RM350,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

As of financial year ended 31 December 2022, the Company has in place an Audit Committee ("AC") to oversee the financial reporting process. AC comprises of three (3) Independent Non-Executive Directors:

Name	Designation	Directorship
Tang Yuen Kin	Chairman	Independent Non-Executive Director
Fazidah Bt Zakaria	Member	Independent Non-Executive Director
Yang Shing Sing	Member	Independent Non-Executive Director

All AC members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

The AC terms of reference provides that no former key audit partner shall be appointed as a member of the Committee before observing a cooling-off period of at least three (3) years before being appointed as a member of the Committee.

Chairman

The Chairman of the AC is not the Chairman of the board to ensure the overall effectiveness and independence of the AC. The AC, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendation to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

Roles and Responsibilities

The roles and responsibilities of the AC are as follows:-

- (a) Financial Reporting - Review the annual report, quarterly results and the year-end financial statements of the Group, before submission to the Board for approval. Amongst, the AC will focus on changes in or implementation of major accounting policy changes, significant adjustment arising from the audit, the going concern assumption and compliance with legal requirements.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT COMMITTEE (CONT'D)

Roles and Responsibilities (cont'd)

The roles and responsibilities of the AC are as follows (cont'd):-

- (b) External Auditor – Recommend to the Board the appointment of external auditors. In carrying out this duty, the AC will evaluate the independence of the external audit, the fees proposed and their capabilities. The AC will also review together with the external auditor, the annual audit plan, audit report and the evaluation of the system of internal controls.
- (c) Internal Audit – Review the adequacy of the scope, competency and resources of the internal audit function including the annual internal audit plan, programme, processes, and the results of the internal auditor's assessments. The AC will also review the appraisal or assessment of the performance of the internal audit function on an annual basis; and
- (d) Related Party Transactions ("RPT") and Recurrent RPT ("RRPT") – Monitor, review and report to the Board any RPT, RRPT and conflict of interest situation that may arise within the Company or Group.

Independence of External Auditors

When assessing the appointment and re-appointment of the external auditor, the AC will not only assess the competence, audit quality and resource capacity of the external auditor in relation to the audit but also consider information presented in the Annual Transparency Report of the audit firm, in the absence of Annual Transparency Report, review the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks. There is also a requirement to obtain written assurance from the external auditor confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Internal Audit

As the Company was only listed on 16 January 2023, there was no internal audit activity conducted during the financial year under review.

The internal audit function has been outsourced to ShineWing TY Teoh Risk & Governance Sdn Bhd who is tasked to carry out the internal audit activity for the Group. The internal auditor reports to the AC.

The findings of the audits and the recommendations for improvement or actions to be taken by the management to rectify the issue will be presented in AC Meeting. Any significant issue affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified, will be discussed during the RMC meetings and brought to the attention of the Board by the Chairman of RMC.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

RISK MANAGEMENT COMMITTEE

The Board has the overall responsibility to establish a risk management framework and maintaining a sound system of risk management and internal controls throughout the Group to protect the Group's assets and safeguard shareholders' investments.

The Risk Management Committee ("RMC") and the AC have been entrusted by the Board in managing the risks and establishment of the internal controls system and processes of the Group.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

RISK MANAGEMENT COMMITTEE ("RMC") (CONT'D)

As of financial year ended 31 December 2022, the Company has set up a RMC to oversee the Group's overall risk management framework and policies. RMC comprises of three (3) Independent Non-Executive Directors:

Name	Designation	Directorship
Fazidah Bt Zakaria	Chairman	Independent Non-Executive Director
Tang Yuen Kin	Member	Independent Non-Executive Director
Yang Shing Sing	Member	Independent Non-Executive Director

The RMC is assisted by the Risk Management Team ("RMT") who comprised of members of the Management, as nominated by the Group Chief Executive Officer. The RMT is responsible for the overall risk management activities of the Group, whilst direct responsibility for managing risk lies with the respective risk owners.

Roles and Responsibilities

The RMC is responsible for, amongst others, reviewing and overseeing the risk management function of the Group, on behalf of the Board, which includes, amongst others, the following:-

- a) to review the risk management policies of the Group which addresses key elements of the enterprise wide risk management framework, risk appetite, strategy, processes and methodology and recommend any necessary changes relating thereto to the Board in line with the changing operating and economic environment, prevailing best practices in risk management and any relevant regulatory requirements.
- b) to oversee, evaluate and monitor the adequacy and effectiveness of the Group's risk management framework and the risk management system put in place by the Management in tandem with the changing business circumstances to safeguard shareholders' interests and the Group's assets.
- c) to report to the Board on the Group's major risk exposures, including the review on the risk assessment framework used to monitor the risk exposures and the Management's views on the acceptable and appropriate level of risks faced by respective business units/division of the Group.
- d) to review the Statement on Risk Management and Internal Control, as well as other disclosure concerning the risk management activities of the Group, for inclusion in the Company's Annual Report and recommend the same for approval by the Board.
- e) to identify corporate liability risks including specific bribery risks, corruption risks and compliance risks with the Malaysian Anti-Corruption Commission Act 2009.

The terms of reference of the RMC is found on the Company's website at www.wellspireholdings.com.

The Statement of Risk Management and Internal Control as set out in pages 53 to 55 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

The Board recognises and values the importance of an effective and clear communication with its shareholders as well as with its potential investors and the public. It is fully committed that the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group, are adopted. To achieve this, the Company has implemented amongst others, the following:-

- (a) timely release of announcements to Bursa Securities, which include quarterly financial results, material contracts awarded and any other material information that may affect investors' investment decision;
- (b) conducts regular dialogues with financial analysts as a means of effective communication, which enables the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;
- (c) press conference which is normally held after the AGM/EGM to provide the media an opportunity to receive updates from the Board on the proceedings at the meetings and to address any queries from the media, if necessary;
- (d) encourage full participation of shareholders at the AGM to ensure a high level of accountability and discussion of the Company's strategy and goals. The Company shall invite the external auditors to attend the AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditor's report; and
- (e) shareholder can gain access to information about the Company including the summary of the Group's investor relation activities and media releases through the Company's website at www.wellspireholdings.com

II. Conduct of General Meetings

Annual General Meeting

An AGM is a yearly gathering between the shareholders of the Company and its Board. The Directors must ensure that AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

The Company shall in each year hold an AGM within six (6) months of the Company's financial year end.

The notices convening an AGM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least twenty-one (21) days before the meeting. Any notice of meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one (21) days' notice of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.

No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.

The Company shall endeavour to have all its Directors attend the AGM in particular the Chairman of all the Board Committees to answer questions that shareholders may have at the AGM. The Company will ensure that the minutes of the AGM will be posted on its website within 30 days from date of AGM.

The 1st AGM will be conducted virtually through live streaming from the Broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on 9 June 2023.



Audit Committee Report

Membership

As of financial year ended 31 December 2022, the AC comprises of three (3) Independent Non-Executive Directors:

Name	Designation	Directorship
Tang Yuen Kin	Chairman	Independent Non-Executive Director
Fazidah Bt Zakaria	Member	Independent Non-Executive Director
Yang Shing Sing	Member	Independent Non-Executive Director

The AC also meets the AMLR which requires that at least one member of the Committee must fulfil the financial expertise requisite of Rule 15.09(c) of the AMLR. The Chairman of the AC, Mr Tang Yuen Kin, is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

All AC members are financially literate with diverse backgrounds, experiences, and knowledge in the field of accountancy, business and finance. None of the members were former key audit partners of the Company's existing External Auditors.

Terms of Reference (TOR)

The TOR of AC sets out the composition, roles and responsibilities, authority and meeting requirements. Amongst others, it provides that no former partner of the external audit firm of the Company shall be appointed as a member of the AC unless the said former partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the AC.

The AC's TOR is available at the Company's website at <https://www.wellspireholdings.com>.

The AC did not hold any meetings for financial year ended 31 December 2022 as the Company was only listed on 16 January 2023.

Summary Of Activities

Since the listing of the Company on the ACE Market of Bursa Securities, the main activities undertaken by the AC were as follows:

1. Financial Reporting
 - Reviewed the unaudited quarterly financial results of the Company and the Group prior to the recommendation to the Board for approval and subsequent release to Bursa Securities.
2. External Audit
 - Reviewed the audit status of the Company's financial statements for the financial year ended 31 December 2022 presented by the External Auditors.
 - Reviewed the audit fees of the external auditors prior to the Board for approval.
 - Had private sessions with the External Auditors without the presence of the Executive Directors
3. Internal Audit
 - As the Company was only listed on 16 January 2023, there was no internal audit activity conducted during the financial year under review.

Statement on Risk Management and Internal Control

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the Statement on Risk Management and Internal Control, pursuant to Chapter 15, Rule 15.26(b), Rule 15.23 and Guidance Note 11 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“AMLR”) and Principle B of the MCCG, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. Wellspire Holdings Berhad (“Wellspire”) and its subsidiaries are within the scope of this statement, excluding Associate and Joint Venture.

BOARD RESPONSIBILITY

The Board affirms its responsibility and commitment in embedding sound risk management practices and internal controls in the operations of the Company and the Group. The Board also ensures that the risk management framework will assist the Group to identify, assess, monitor and report significant risks faced by the business units, of the Group.

Each year, the Board will review the effectiveness, adequacy and integrity of the Group’s risk management practices and internal controls. These systems are designed to manage rather than to eliminate, the risk of failure to achieve the business objectives of the Group. Hence, these systems can only provide reasonable and not absolute assurance against material misstatement, losses or fraud.

The Board, via the Risk Management Committee (“RMC”) and Audit Committee (“AC”) evaluates the adequacy and operating effectiveness of the risk management and internal controls system and, where appropriate, requires the management to implement controls to address emerging issues or areas of control deficiencies.

RISK MANAGEMENT TEAM

The RMC role is to oversee the Group’s overall risk management framework and policies.

The RMC is assisted by a Risk Management Team (“RM Team”) comprising of members of the Management, as nominated by the Chief Executive Officer who is responsible for the overall risk management activities of the Group whilst direct responsibility for managing risk lies with the respective risk owners.

RISK APPROACH

In order to ensure that the Group achieves its business strategies, the Group must have a robust risk management system with effective controls. The Group’s risk management framework is premised on the following approach which is predominantly a risk-based approach:



RISK MANAGEMENT PROCESS

Based on the above framework, the Group will carry out the following:

- a) Risk Identification – the risk owner will identify risks through discussion with relevant stakeholders and review of financial statements to help identify risk categories such as strategic, financial, operational and compliance risks.
- b) Risk Assessment - risk is to be assessed by considering estimates of both likelihood and impact. Risk is to be further assessed by considering the Group’s vulnerability to the risk after taking into consideration the efficiency of treatments identified, proposed and/or currently implemented.



Statement on Risk Management and Internal Control

RISK MANAGEMENT PROCESS (CONT'D)

Based on the above framework, the Group will carry out the following (cont'd):

- c) Identify Controls - risk owners must identify the key controls or risk treatment methodology that have been put in place to address or mitigate the risk and to review the effectiveness of the existing key controls to manage these risks.
- d) Risk Treatment - risk treatment involves identifying the range of options for treating risk, assessing those options, preparing risk treatment plans and implementing those plans. The options include avoidance, reduction, transfer, retention or sharing.
- e) Risk Monitoring - Risks and risk response activities would be monitored by the respective Head of Departments in the Group to ensure that significant risks remain within acceptable risk levels. Further, they need to ensure emerging risks and gaps are identified and that risk response and control activities are adequate and appropriate.

The Group will carry out an annual risk analysis of the Group which includes reviewing the process in identifying, evaluating and putting up necessary action to assess and monitor the impacts of risks on the operation and business. The findings will be reviewed by the RMC and the Board at the RMC meeting and Board meeting respectively with the assistance of the engaged internal audit team.

The process for identifying, evaluating and managing the significant risks has in place for the year under review and up to the date of approval of this statement.

INTERNAL AUDIT

The Board recognises the need for an internal audit function and has engaged the services of an independent professional accounting and consulting firm to provide the assurance it requires on the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. The Board has established that the internal audit functions are independent of the activities or operations of the operating units and report directly to the AC. Scheduled meetings of the Internal Auditor and AC will be conducted to ensure the appropriateness of the scope and objective of each audit cycle.

The internal audit adopts a risk-based approach in developing its audit plan which addresses the core auditable areas of the Group based on the risk profile established by the RMC. Scheduled internal audits are to be carried out by the Internal Auditors based on the audit plan and programme, and revised plan and programme if any, and presented to and approved by the AC to provide independent and objective reports on the state of internal control of the operating units. The audit focuses on high risk areas as well as areas identified with inadequate controls to ensure the effectiveness of the controls in mitigating those risks in the detailed risk registers. The Internal Auditors also follow up with the management on the implementation of action plans recommended to improve areas where control deficiencies identified during the internal audits. The AC with the assistance of the Internal Auditors annually reviews the Group's system of internal control to address the related control weaknesses.

As the Company was listed on 16 January 2023, there was no internal audit activity for financial year ended 31 December 2022. The Internal Auditors have prepared an internal audit plan based on risk profile of the Group for the financial year ending 31 December 2023. The internal audit plan has been reviewed and approved by the AC on 22 February 2023. The internal audit plan will cover areas such as sales, receivables, procurement and account payables.



Statement on Risk Management and Internal Control

INTERNAL CONTROL STRUCTURES

The Group's risk management is supported by an integrated internal controls system which is applicable to all subsidiaries in the Group. Apart from the risk management framework and internal audit, the system of internal controls also consist of the following:

a) Policies & Procedures

To ensure the Group has effective internal controls to manage its risks, the Group has developed standard operating procedures ("SOP") and other policies to regulate and guide employees on day to day operations of the Group. These SOPs will not only create a uniformity in operations of the Group but also safeguard the assets of the Group against material losses. An annual review of these SOPs will be carried out to ensure that the SOP's caters to current operating environment. The Chief Financial Officer is responsible for collating these policies and to ensure awareness of its Policies & Procedures, the Group conducts training on the same.

b) Ethics & Integrity

To drive its commitment to conduct its business with the highest standards of ethical conduct and integrity, the Group has in place an Anti-Bribery and Anti-Corruption Policy and a Whistleblower Policy. This is in line with Section 17A of the Malaysian Anti-Corruption Commission Act (Amendment) 2018. To build an ethical culture in the Group, the tone is set at the top with a code known as Directors Code of Conduct and Business Ethics.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by AMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon.

THE BOARD'S CONCLUSION

The Board is pleased to report that the state of the Group's risk management and internal control framework is able to meet the Group's objective to ensure good corporate governance. There was no potential or present failure or weakness that would have material adverse effect on the results of the Group for the year under review. The Board has also received assurance from the CEO and CFO that the Group's risk management and internal control framework is operating adequately and effectively in all material aspects. Continuous focus on measures to protect and enhance shareholder value and business sustainability will remain a core focus for the Group.

This Statement is made in accordance with the resolution of the Board dated 19 April 2023.



Directors' Responsibility Statement In Relation to the Financial Statements

In preparing the annual financial statements of the Group and the Company, the Directors are collectively responsible to ensure that these financial statements have been properly drawn up in accordance with the applicable approved Malaysian Financial Reporting Standard issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act 2016 ("the Act") so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the financial results and the cash flows of the Group and of the Company for the financial year ended on that date.

In preparing the financial statements for the year ended 31 December 2022, the Directors have:

- 1) adopted appropriate accounting policies and applied them consistently;
- 2) made judgements and estimates that are reasonable and prudent;
- 3) prepared financial statements on the going concern basis; and
- 4) ensure the adoption of and compliance with applicable approved accounting standards.

The Directors have responsibility for ensuring that the proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.



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Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022 and financial period from 6 August 2021 (date of incorporation) to 31 December 2022 respectively.

DATE OF INCORPORATION AND PRINCIPAL ACTIVITIES

The Company was incorporated on 6 August 2021 under the Companies Act 2016 as a private limited company and domiciled in Malaysia. Subsequently, the Company was converted to a public limited company on 25 March 2022.

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are mainly investment holding, provision of management consultancy services, distribution and online retailer of consumer packaged foods. The principal activities and details of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year/period.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year/period	2,955,062	(6,113,090)
Attributable to:		
Owners of the parent	1,138,432	(6,113,090)
Non-controlling interests	1,816,630	-
	2,955,062	(6,113,090)

DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the financial period ended 31 December 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year/period other than the transfer of invested equity amounted to RM11,501,000 to share capital as disclosed in the statements of changes in equity.



Directors' Report

ISSUE OF SHARES AND DEBENTURES

The Company was incorporated on 6 August 2021 with an issued and paid up share capital of RM10,000 comprising 10,000 ordinary shares of RM1.00 each.

On 19 November 2021, the Company allotted 1,990,000 ordinary shares at an issue price of RM1.00 per share for a total cash consideration of RM1,990,000.

On 9 March 2022, the Company further allotted 10,000,000 ordinary shares at an issue price of RM1.00 per share for a total cash consideration of RM10,000,000.

On 29 November 2022, the Company increased its issued and paid up share capital from RM12,000,000 to RM23,501,000 by way of issuance of 11,501,000 new ordinary shares for a total consideration of RM11,501,000 as full payment for the acquisition of the aggregate net assets of Vine Growth Holdings Pte. Ltd. and its subsidiaries.

Upon completion of the share issuance, the Company had carried out a subdivision of one (1) existing ordinary share in the Company to twenty five (25) new ordinary shares in the Company ("subdivision") on 30 November 2022. Upon completion of the subdivision, the total number of ordinary shares increased to 587,525,000 shares.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issuance of shares during the financial period.

The Company did not issue any debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year/period.

DIRECTORS

The Directors who have held office since the date of incorporation and up to the date of this report are as follows:

Wellspire Holdings Berhad

YHM Tengku Dato' Indera Abu Bakar Ahmad	
Bin Almarhum Tengku Tan Sri Abdullah	(Appointed on 15 March 2022)
Mo Guopiao	(First Director, appointed on 6 August 2021)
Saranjit Wang	(Appointed on 1 March 2022)
Kua Chin Teck	(Appointed on 1 March 2022)
Tang Yuen Kin	(Appointed on 15 March 2022)
Fazidah Binti Zakaria	(Appointed on 15 March 2022)
Yang Shing Sing	(Appointed on 15 March 2022)

Subsidiaries of Wellspire Holdings Berhad, excluding those who are already Director of the Company

Ittiwat Rattakun
Waraporn Rattakun

Directors' Report

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial period and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial period ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

The Company	----- Number of ordinary shares -----				
	Balance as at date of appointment	Acquired	Allotment and subdivision	Sold/ Transfer	Balance as at 31.12.2022
<u>Direct interests:</u>					
Mo Guopiao	10,000	7,140,000	287,012,500	-	294,162,500
Saranjit Wang	-	-	5,750,000	-	5,750,000
<u>Deemed interests:</u>					
Mo Guopiao *	-	4,850,000	116,400,000	-	121,250,000

* *Deemed interested by virtue of his interest in Silver Line Capital Sdn. Bhd., applying Section 8 (4) of the Companies Act 2016.*

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Mo Guopiao is also deemed to be interested in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial period held any interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the date of incorporation, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than:

- i) the transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests;
- ii) remuneration received by certain Directors from subsidiaries as Directors of these subsidiaries.

There were no arrangements during and at the end of the financial period, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



Directors' Report

DIRECTORS' REMUNERATION

The remuneration of Directors of the Group and of the Company during the financial year/period ended 31 December 2022 are as follows:

	Group 1.1.2022 to 31.12.2022 RM	Company 6.8.2021 (date of incorporation) to 31.12.2022 RM
Directors of the Company:		
Fees	150,000	150,000
Salaries	660,000	825,000
Contributions to defined contribution plan	105,300	131,625
Other employee benefits	170,659	208,448
	1,085,959	1,315,073
Directors of the subsidiaries:		
Salaries	226,208	-
	1,312,167	1,315,073

No benefit-in-kind was provided to Directors of the Company during the financial period.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected to any Directors, officers or auditors of the Group and of the Company during the financial year/period.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR/PERIOD

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

Directors' Report

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(II) FROM THE END OF THE FINANCIAL YEAR/PERIOD TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial period which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial period to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial period.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

(a) Corporate restructuring

By a conditional share sale agreement dated 11 March 2022, the Company acquired the entire issued share capital of Vine Growth Holdings Pte. Ltd. ("Vine Growth Holdings") from the vendors of Vine Growth Holdings, namely Saranjit Wang, Mo Guopiao, He Haibin and Capital Pairing Pte. Ltd. for a total purchase consideration of RM11,501,000 satisfied entirely by the issuance of 11,501,000 new ordinary shares of the Company, credited as fully paid-up at an issue price of RM1.00 per share to the abovementioned vendors in the manner as set out in the Prospectus, pursuant to the listing of and quotation for the entire ordinary shares in the Company on the ACE Market of Bursa Malaysia Securities Berhad.

The purchase consideration is arrived at on a "willing-buyer willing-seller" basis after taking into consideration the 75.01% effective interest of the combined net asset value of Vine Growth Holdings and its combining entities based on the management accounts as at 31 December 2021, equivalent to approximately RM11,501,000 (based on the exchange rate of THB100: RM12.5540). The Company acquired the entire issued share capital of Vine Growth Holdings on 29 November 2022. Thereafter, the subsidiaries of Vine Growth Holdings, namely Bai Li Holdings Co., Ltd., Bai Li Enterprise Co., Ltd. and Keymall Retail Co., Ltd. became indirect subsidiaries of the Company.



Directors' Report

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (CONT'D)

(b) Subdivision of shares

Following the acquisition of Vine Growth Holdings, the Company had carried out a subdivision of one (1) existing ordinary share in the Company to twenty five (25) new ordinary shares in the Company ("subdivision") on 30 November 2022. Upon completion of the subdivision, the total number of ordinary shares increased to 587,525,000 shares.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD

(a) Initial Public Offering ("IPO") and listing of the Company on Bursa Malaysia Securities Berhad

In conjunction with the Company's listing on the ACE Market of Bursa Securities Malaysia Securities Berhad, the Company issued its Prospectus for its IPO entailing the following:

- (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 the Company's eligible Directors, employees and persons who have contributed to the success of the Group; and
 - (c) 78,600,000 Public Issue Shares by way of private placement to selected investors.
- (ii) Offer for sale of 124,600,000 existing ordinary shares by way of private placement to selected investors.

Upon completion of the IPO, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 712,125,000 shares were listed and quoted on the ACE Market of Bursa Securities on 16 January 2023.

(b) Exclusive distribution agreement with HH International Enterprise Limited ("HH")

On 23 March 2023, a subsidiary of the Company, Bai Li Enterprise Co. Ltd. ("Bai Li Enterprise") entered into a distribution agreement with HH International Enterprise Limited ("HH"), whereby Bai Li Enterprise has been appointed as the exclusive distributor of "WEILONG" brand products by HH. The products supplied by HH will only be marketed, distributed and sold by Bai Li Enterprise in Thailand.

The agreement shall be valid for ten (10) months, commencing from 23 March 2023 to 31 December 2023. If Bai Li Enterprise wishes to continue the agreement after 31 December 2023, Bai Li Enterprise must make a written notice to HH at least 1 month before the expiry date. The new agreement will be made for the next period subject to the satisfaction of both parties.

Bai Li Enterprise will commence with the distribution of the WEILONG brand konjac and seasoned flour products, namely Weilong Big Hot Stick (Latiao) and Weilong Konjac Shuang. The exclusive distribution agreement does not have any material financial impact on the Group and the Company as at the end of the reporting period.

(c) Incorporation of a subsidiary

On 21 March 2023, the Company had incorporated a subsidiary known as Wellspire Global Trading Sdn. Bhd. with a paid-up share capital of RM1.00 comprising 100,000 ordinary shares. The intended principal activity of the subsidiary is trading of food products.

Directors' Report

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial period/year ended 31 December 2022 were as follows:

	Group 1.1.2022 to 31.12.2022 RM	Company 6.8.2021 (date of incorporation) to 31.12.2022 RM
Statutory audit		
- BDO PLT	93,000	93,000
- Member firm of BDO PLT	113,104	-
- Other auditors	70,733	-
	276,837	93,000
Other assurance services		
- BDO PLT	934,000	1,519,000
- Member firm of BDO PLT	1,508	-
	935,508	1,519,000
Total	1,212,345	1,612,000

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Mo Guopiao
Director

Kuala Lumpur
19 April 2023

.....
Kua Chin Teck
Director



Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 57 to 129 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2022 and financial period from 6 August 2021 (date of incorporation) to 31 December 2022 respectively.

On behalf of the Board,

.....
Mo Guopiao
Director

Kuala Lumpur
19 April 2023

.....
Kua Chin Teck
Director

Statutory Declaration

I, Tin Jiing Soon, being the officer primarily responsible for the financial management of Wellspire Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 57 to 129 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
19 April 2023)

.....
Tin Jiing Soon

Before me:
Mardhiyyah Abdul Wahab

Independent Auditors' Report

To The Members Of Wellspire Holdings Berhad

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wellspire Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 31 December 2022 and financial period from 6 August 2021 (date of incorporation) to 31 December 2022 respectively, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 129.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year ended 31 December 2022 and financial period from 6 August 2021 (date of incorporation) to 31 December 2022 respectively in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year ended 31 December 2022 and financial period from 6 August 2021 (date of incorporation) to 31 December 2022 respectively. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of trade receivables

As at 31 December 2022, the net carrying amount of trade receivables of the Group was RM18,648,260 as disclosed in Note 11 to the financial statements.

The Group has impaired trade receivables of RM132,298 as at 31 December 2022.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.



Independent Auditors' Report

To The Members Of Wellspire Holdings Berhad

(Incorporated in Malaysia)

Audit response

Our audit procedures, with the involvement of component auditors, included the following:

- (a) recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (b) recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and
- (c) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

To The Members Of Wellspire Holdings Berhad

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditors' Report

To The Members Of Wellspire Holdings Berhad

(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Koo Swee Lin

03281/08/2024 J
Chartered Accountant

Kuala Lumpur
19 April 2023

Statements of Financial Position

As At 31 December 2022

	Note	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
ASSETS				
Non-current assets				
Property, plant and equipment	7	913,252	504,574	226,040
Right-of-use assets	8	1,059,663	1,804,944	376,592
Investment in a subsidiary	9	-	-	11,501,000
		1,972,915	2,309,518	12,103,632
Current assets				
Inventories	10	7,817,444	6,251,546	-
Trade and other receivables	11	20,365,111	18,450,577	656,907
Cash and bank balances	12	10,469,837	5,881,610	6,246,996
		38,652,392	30,583,733	6,903,903
TOTAL ASSETS		40,625,307	32,893,251	19,007,535
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	13	23,501,000	2,000,000	23,501,000
Invested equity		-	11,501,000	-
Reserves	14	(11,082,639)	(11,281,050)	-
Retained earnings		9,449,635	8,311,203	(6,113,090)
		21,867,996	10,531,153	17,387,910
Non-controlling interests		5,842,607	3,940,560	-
TOTAL EQUITY		27,710,603	14,471,713	17,387,910



Statements of Financial Position

As At 31 December 2022

	Note	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
LIABILITIES				
Non-current liabilities				
Lease liabilities	8	339,198	404,874	209,581
Deferred tax liabilities	15	2,333,901	1,296,745	-
Borrowings	16	221,363	308,662	-
		2,894,462	2,010,281	209,581
Current liabilities				
Lease liabilities	8	470,314	1,972,778	181,498
Borrowings	16	5,076,858	9,815,017	-
Trade and other payables	17	3,916,687	2,734,089	1,228,546
Current tax liabilities		556,383	1,889,373	-
		10,020,242	16,411,257	1,410,044
TOTAL LIABILITIES		12,914,704	18,421,538	1,619,625
TOTAL EQUITY AND LIABILITIES		40,625,307	32,893,251	19,007,535

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year/Period Ended 31 December 2022

	Note	Group 1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	Company 6.8.2021 (date of incorporation) to 31.12.2022 RM
Revenue	18	123,366,764	136,707,293	-
Cost of sales		(97,411,283)	(98,535,287)	-
Gross profit		25,955,481	38,172,006	-
Other operating income		744,936	1,396,846	504,510
Reversal of impairment losses of financial instruments		66,072	18,045	-
Selling and administrative expenses		(20,570,884)	(20,219,164)	(6,600,609)
Finance costs		(293,709)	(267,082)	(16,991)
Profit/(Loss) before tax	19	5,901,896	19,100,651	(6,113,090)
Tax expense	20	(2,946,834)	(3,697,426)	-
Profit/(Loss) for the financial year/period		2,955,062	15,403,225	(6,113,090)
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation, net of tax	20(d)	264,513	(813,240)	-
Total comprehensive income/(loss)		3,219,575	14,589,985	(6,113,090)
Attributable to:				
Profit/(Loss) for the financial year/period				
Owners of the Company		1,138,432	11,120,068	(6,113,090)
Non-controlling interests		1,816,630	4,283,157	-
		2,955,062	15,403,225	(6,113,090)
Total other comprehensive income/(loss), net of tax				
Owners of the Company		1,336,843	10,510,057	(6,113,090)
Non-controlling interests		1,882,732	4,079,928	-
		3,219,575	14,589,985	(6,113,090)
Earnings per ordinary shares attributable to equity holders of the Company:				
Basic and diluted (sen)	21	0.19	1.89	

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2022

Group	Note	-----Non-distributable----- Distributable					Total equity RM			
		Share capital RM	Invested equity RM	Foreign currency translation reserve RM	Merger reserve RM	Legal reserve RM		Retained earnings RM	Total RM	Non-controlling interests RM
Balance as at 1 January 2021		-	11,501,000	(2,495)	(11,162,775)	15,801	14,346,960	14,698,491	4,898,733	19,597,224
Appropriation in lieu of dividend distributed	14	-	-	-	-	36,942	(36,942)	-	-	-
Profit for the financial year		-	-	-	-	-	11,120,068	11,120,068	4,283,157	15,403,225
Other comprehensive loss, net of tax		-	-	(610,011)	-	-	-	(610,011)	(203,229)	(813,240)
Total comprehensive income		-	-	(610,011)	-	-	11,120,068	10,510,057	4,079,928	14,589,985
Transaction with owners										
Issuance of ordinary shares	13	2,000,000	-	-	-	-	-	2,000,000	-	2,000,000
Issuance of preference shares to non-controlling interests		-	-	-	-	-	-	-	536,137	536,137
Effect of merger method of accounting	14	-	-	-	441,488	-	-	441,488	129,014	570,502
Dividends paid	22	-	-	-	-	-	(17,118,883)	(17,118,883)	(5,703,252)	(22,822,135)
Total transaction with owners		2,000,000	-	-	441,488	-	(17,118,883)	(14,677,395)	(5,038,101)	(19,715,496)
Balance as at 31 December 2021		2,000,000	11,501,000	(612,506)	(10,721,287)	52,743	8,311,203	10,531,153	3,940,560	14,471,713

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2022

Group	Note	-----Non-distributable----- Distributable					Total equity RM			
		Share capital RM	Invested equity RM	Foreign currency translation reserve RM	Merger reserve RM	Legal reserve RM		Retained earnings RM	Total RM	Non-controlling interests RM
Balance as at 1 January 2022		2,000,000	11,501,000	(612,506)	(10,721,287)	52,743	8,311,203	10,531,153	3,940,560	14,471,713
Profit for the financial year		-	-	-	-	-	1,138,432	1,138,432	1,816,630	2,955,062
Other comprehensive income, net of tax		-	-	198,411	-	-	-	198,411	66,102	264,513
Total comprehensive income		-	-	198,411	-	-	1,138,432	1,336,843	1,882,732	3,219,575
Transactions with owners										
Issuance of ordinary shares	13	10,000,000	-	-	-	-	-	10,000,000	-	10,000,000
Issuance of ordinary shares for the acquisition of subsidiary	13	11,501,000	(11,501,000)	-	-	-	-	-	-	-
Issuance of ordinary shares to non-controlling interests by a subsidiary		-	-	-	-	-	-	-	19,315	19,315
		21,501,000	(11,501,000)	-	-	-	-	10,000,000	19,315	10,019,315
Balance as at 31 December 2022		23,501,000	-	(414,095)	(10,721,287)	52,743	9,449,635	21,867,996	5,842,607	27,710,603

The accompanying notes form an integral part of the financial statements.



Statement of Changes in Equity

For the Financial Period From 6 August 2021 (Date of Incorporation) to 31 December 2022

Company	Note	<i>Non- distributable</i> Share capital RM	<i>Distributable</i> Retained earnings RM	Total equity RM
Balance as at 6 August 2021 (date of incorporation)		10,000	-	10,000
Loss for the financial period		-	(6,113,090)	(6,113,090)
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		-	(6,113,090)	(6,113,090)
Transactions with owners				
Issuance of ordinary shares	13	11,990,000	-	11,990,000
Issuance of ordinary shares for the acquisition of subsidiary	13	11,501,000	-	11,501,000
		23,491,000	-	23,491,000
Balance as at 31 December 2022		23,501,000	(6,113,090)	17,387,910

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year/Period Ended 31 December 2022

	Note	Group		Company
		1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	6.8.2021 (date of incorporation) to 31.12.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax		5,901,896	19,100,651	(6,113,090)
Adjustments for:				
Depreciation of				
- property, plant and equipment	7	253,967	175,333	52,465
- right-of-use assets	8	1,310,105	1,166,271	165,702
Dividend income from a former associate	19	-	(313,531)	-
Interest expense on:				
- borrowings	19	240,194	205,539	-
- lease liabilities	8	110,018	221,525	16,991
Gain on disposal of other investments	19	-	(971,180)	-
Gain on disposal of property, plant and equipment	19	(7,216)	-	-
Interest income	19	(2,408)	(1,957)	-
Inventories written down	10	291,987	189,051	-
Net unrealised gain on foreign exchange	19	(505,429)	-	(504,510)
Reversal of impairment losses on trade receivables	11(d)	(66,072)	(18,045)	-
Operating profit/(loss) before changes in working capital		7,527,042	19,753,657	(6,382,442)
Changes in working capital:				
Inventories		(1,859,015)	(4,115,901)	-
Trade and other receivables		(1,450,567)	4,539,550	(656,907)
Trade and other payables		1,112,339	593,699	1,228,546
Cash generated from/(used in) operations		5,329,799	20,771,005	(5,810,803)
Interest received		2,408	1,957	-
Tax paid		(3,262,877)	(5,930,070)	-
Net cash from/(used in) operating activities		2,069,330	14,842,892	(5,810,803)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received from a former associate	19	-	313,531	-
Proceeds from disposal of property, plant and equipment		58,925	-	-
Proceeds from disposal of other investments		-	1,242,376	-
Purchase of:				
- property, plant and equipment	7	(702,093)	(284,032)	(278,505)
- right-of-use assets	8(a)	-	(16,550)	-
Net cash (used in)/from investing activities		(643,168)	1,255,325	(278,505)

The accompanying notes form an integral part of the financial statements.



Statements of Cash Flows

For the Financial Year/Period Ended 31 December 2022

	Note	Group		Company
		1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021	6.8.2021 (date of incorporation) to 31.12.2022
		RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid by a subsidiary	22	-	(22,822,135)	-
Drawdowns of borrowings		55,180,591	62,348,094	-
Proceeds from issuance of shares	13	10,000,000	2,000,000	12,000,000
Proceeds from issuance of shares to non-controlling interests by a subsidiary		19,315	1,106,639	-
Repayments of:				
- borrowings		(60,390,246)	(55,078,721)	-
- lease liabilities		(2,244,346)	(2,002,492)	(168,206)
Net cash from/(used in) financing activities		2,565,314	(14,448,615)	11,831,794
Net increase in cash and cash equivalents		3,991,476	1,649,602	5,742,486
Effect of exchange rate changes on cash and cash equivalents		596,751	207,719	504,510
Cash and cash equivalents at beginning of financial year/ date of incorporation		5,881,610	4,024,289	-
Cash and cash equivalents at end of financial year/period	12	10,469,837	5,881,610	6,246,996

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group	
	Lease liabilities (Note 8) RM	Borrowings (Note 16) RM
As at 1 January 2021	4,350,975	3,147,960
Cash flows		
- Drawdowns of borrowings	-	62,348,094
- Repayments of borrowings	-	(55,078,721)
- Repayments of lease liabilities	(2,002,492)	-
	(2,002,492)	7,269,373
Non-cash flows:		
- Addition	49,648	-
- Exchange differences	(242,004)	(499,193)
- Interest expense	221,525	205,539
	29,169	(293,654)
As at 31 December 2021	2,377,652	10,123,679

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year/Period Ended 31 December 2022

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

	Group	
	Lease liabilities (Note 8) RM	Borrowings (Note 16) RM
As at 1 January 2022	2,377,652	10,123,679
Cash flows		
- Drawdowns of borrowings	-	55,180,591
- Repayments of borrowings	-	(60,390,246)
- Repayments of lease liabilities	(2,244,346)	-
	(2,244,346)	(5,209,655)
Non-cash flows:		
- Addition	542,294	-
- Exchange differences	23,894	144,003
- Interest expense	110,018	240,194
	676,206	384,197
As at 31 December 2022	809,512	5,298,221

	Company Lease liabilities (Note 8) RM
As at 6 August 2021 (date of incorporation)	-
Cash flows	
- Repayments of lease liabilities	(168,206)
Non-cash flows:	
- Addition	542,294
- Interest expense	16,991
As at 31 December 2022	391,079

The accompanying notes form an integral part of the financial statements.



Notes to the Financial Statements

31 December 2022

1. CORPORATE INFORMATION

The Company was incorporated on 6 August 2021 under the Companies Act 2016 as a private limited company and domiciled in Malaysia. Subsequently, the Company was converted to a public limited company on 25 March 2022.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Lot D/E, Level 12, Tower 1, Etiqa Twins, 11 Jalan Pinang, 50450 Kuala Lumpur, Malaysia.

The principal place of business of the Group is located at 220/3, Moo 4 Tambon Rangsit, Thanyaburi District, Pathum Thani Province 12110, Thailand.

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are mainly investment holding, provision of management consultancy services, distribution and online retailer of consumer packaged foods. The principal activities and details of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial period.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the Company and its subsidiaries. The functional currency of the Company is Ringgit Malaysia ("RM"). The financial statements of the Group and of the Company are presented in RM.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 19 April 2023.

2. BASIS OF PREPARATION

The financial statements of the Group have been prepared for the financial year ended 31 December 2022. The financial statements of the Company have been prepared from 6 August 2021 (date of incorporation) to 31 December 2022 since this is the Company's first set of audited financial statements since its incorporation.

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year/period. The new MFRSs and Amendments to MFRSs adopted during the financial year/period are disclosed in Note 5 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

Notes to the Financial Statements

31 December 2022

2. BASIS OF PREPARATION (CONT'D)

The acquisitions of Vine Growth Holdings Pte. Ltd. and its subsidiaries have been accounted for as a business combination amongst entities under common control. Accordingly, the financial statements of Wellspire Holdings Berhad have been consolidated using the merger method of accounting.

Under merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply accounting policies set out below consistently throughout the years presented in these financial statements, unless otherwise stated.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual agreements; and
- (c) the voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions are also eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.



Notes to the Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.2 Business combinations

Business combinations other than those involving entities under common control, are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) right-of-use assets and lease liabilities for leases are recognised and measured in accordance with MFRS 16 *Leases*;
- (c) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (d) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Business combinations (cont'd)

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. The Group accounts for changes in fair value of contingent consideration that are not measurement period adjustments as follows:

- (a) Contingent consideration classified as equity shall not be re-measured and its subsequent settlement shall be accounted for within equity.
- (b) Other contingent consideration that:
 - (i) is within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9 *Financial Instruments* for the relevant period.
 - (ii) is not within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRS. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method of accounting. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the Group. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statements of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

Entities under common control are entities, which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases.



Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of an item of property, plant and equipment are recognised in profit or loss in the period in which the costs are incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Renovation	20% - 33%
Office equipment	20%
Office computers	20% - 33%
Furniture and fittings	20%
Machinery and tools	20%
Motor vehicles	20%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 3.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method of previous estimates shall be reviewed if there is indication of impairment to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If current expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

3.4 Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

The Group as lessee (cont'd)

The Group determines the lease term as the non-cancellable period of a lease, together with both:

- (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (b) periods covered by an option to terminate the lease is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any re-measurement of the lease liability.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Distribution facility	53 months
Motor vehicles	36 - 60 months
Office	36 months



Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group has certain leases of office equipment with lease term of 12 months or less and low value leases of office equipment of RM20,000 and below. The Group applies the “short-term lease” and “lease of low-value assets” exemptions for these leases.

3.5 Investments in subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less any accumulated impairment losses, if any.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise the carrying amount of the investment and recognise the consideration received. The resulting difference is recognised as a gain or loss on disposal of the subsidiary in profit or loss.

3.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on a first-in, first-out basis and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Inventories are assessed for impairment at the end of each reporting period by comparing the carrying amount of each item of inventory with its selling price less costs to complete and sell. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

3.7 Impairment of non-financial assets

The carrying amount of assets, except for financial assets, deferred tax assets and inventories, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit (“CGU”) to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment of non-financial assets (cont'd)

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

3.8 Financial instruments

(a) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

(a) Financial assets (cont'd)

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below (cont'd):

(ii) Financial assets measured at fair value (cont'd)

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments, which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. Any gains or losses arising from the changes in fair value are recognised in profit or loss.

The Group does not have any financial assets measured at FVTOCI and FVTPL as at the end of the reporting period.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group has an option to elect an irrevocable option to designate its equity instruments at initial recognition as financial assets measured at FVTOCI if the equity instruments are not held for trading.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss for equity instruments measured at FVTPL. As for equity instruments measured at FVTOCI, any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss.

The Group does not have any equity instrument measured at FVTPL and FVTOCI as at the end of the reporting period.

Dividends on equity instruments are recognised in profit or loss when the right to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group in the management of its short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

(a) Financial assets (cont'd)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.9 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity instruments.



Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Equity (cont'd)

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholder in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is re-measured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the asset distributed and the carrying amount of the liability in profit or loss.

3.10 Impairment of financial assets

The Group recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost.

The Group recognises allowance for impairment loss for trade receivables based on the simplified approach in accordance with MFRS 9 Financial Instruments and measures the allowance for impairment loss based on a lifetime expected credit loss from initial recognition.

Impairment for other receivables and amounts owing by related companies are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group determined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions i.e. unemployment rate, to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment of financial assets (cont'd)

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

3.11 Borrowing costs

All borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

3.12 Income tax

Income taxes include all domestic and foreign taxes on taxable profit.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits.

Income taxes also include other taxes, such as withholding taxes, which are payable by a foreign subsidiary on distributions to the Group and Company, and real property gain taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Income tax (cont'd)

(b) Deferred tax (cont'd)

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

3.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

3.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

Notes to the Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

Sales of goods

The Group recognises revenue from contracts with customers for the sale of goods based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time if the performance of the Group:

- (i) Does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to-date; or
- (ii) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue recognition not in relation to performance obligations is described below:

- (a) Dividend income

Dividend income is recognised when the right to receive payment is established.

- (b) Interest income

Interest income is recognised as it accrues, using the effective interest method.



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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as a current liability when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate of the obligation can be made.

(b) Defined contribution plan

The Group makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any amount already paid and as an expense in the period in which the employees render their services.

3.17 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currencies of the Group and of the Company are THB and RM respectively. The financial statements of the Group and of the Company are presented in RM.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

3.18 Fair value measurement

The fair value of an asset or a liability except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Fair value measurement (cont'd)

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) the condition and location of the asset; and
- (b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable:

- (a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

3.19 Operating segments

Operating segments are defined as components of the Group that:

- (a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenue.



Notes to the Financial Statements

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Operating segments (cont'd)

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the consolidated revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
 - (i) the combined reported profit of all operating segments that did not report a loss; and
 - (ii) the combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group.

3.20 Earnings per share

- (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to common controlling shareholders by the weighted average number of ordinary shares outstanding during the financial year.

- (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to common controlling shareholders by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

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4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.2 Critical judgements made in applying accounting policies

There are no significant judgements made by the management in the process of applying the accounting policies of the Group that have a significant effect on the amounts recognised in the financial statements, after taking into consideration the effects of COVID-19 and Russia-Ukraine war, where applicable.

4.3 Key sources of estimation uncertainty

The following is the key assumption concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of trade and other receivables

The impairment allowances for trade and other receivables are based on assumptions about risk of default and expected credit loss rates. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, the existing market conditions including forward looking estimates i.e. unemployment rate, at end of the reporting period.

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRS adopted during the financial period

The Group and the Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial period:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

5.2 New MFRS that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to 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>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 – <i>Definition of Accounting Estimates</i>	1 January 2023

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5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

5.2 New MFRS that have been issued, but only effective for annual periods beginning on or after 1 January 2023 (cont'd)

Title	Effective Date
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
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 Liability with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group and the Company are still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

6. OPERATING SEGMENTS

(a) Business segment

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.

(b) The Group evaluates performance on the basis of profit or loss for the financial year.

(c) Major customer

The following are major customers with revenue equal to or more than ten per centum (10%) of Group revenue:

	1.1.2022 to 31.12.2022		Group		1.1.2021 to 31.12.2021	
	RM	%	RM	%	RM	%
Customer A	54,274,601	44	56,006,656	41		
Customer B	17,101,582	14	28,914,643	21		
Customer C	*	*	13,649,297	10		
Customer D	32,001,112	26	23,864,650	17		
	103,377,295	84	122,435,246	89		

* Represents less than 10% of Group revenue in the financial year ended 31 December 2022.

Notes to the Financial Statements

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6. OPERATING SEGMENTS (CONT'D)

(d) Geographical information

The business activities of the Group are predominantly located in Thailand and as such segment reporting for revenue by geographical location is not presented.

The geographical information of the Group is based on the location of the assets of the Group. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Segment assets		Non-current assets	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Malaysia	7,506,535	911,310	602,632	-
Thailand	32,880,577	31,716,123	1,370,283	2,309,518
Singapore	238,195	265,818	-	-
	40,625,307	32,893,251	1,972,915	2,309,518

7. PROPERTY, PLANT AND EQUIPMENT

Group 31.12.2022	Balance as at 1.1.2022 RM	Additions RM	Disposal RM	Exchange differences RM	Balance as at 31.12.2022 RM
At cost					
Renovation	29,725	204,854	-	600	235,179
Office equipment	80,622	39,945	-	2,114	122,681
Office computers	106,079	70,201	-	2,675	178,955
Furniture and fittings	137,856	61,168	-	2,954	201,978
Machinery and tools	89,413	218,504	-	4,463	312,380
Motor vehicles	539,466	107,421	(53,710)	11,548	604,725
	983,161	702,093	(53,710)	24,354	1,655,898

31.12.2022	Balance as at 1.1.2022 RM	Depreciation charge for the financial year RM	Disposal RM	Exchange differences RM	Balance as at 31.12.2022 RM
Accumulated depreciation					
Renovation	7,455	51,515	-	221	59,191
Office equipment	45,095	17,320	-	1,122	63,537
Office computers	33,685	38,695	-	1,127	73,507
Furniture and fittings	26,139	32,653	-	865	59,657
Machinery and tools	59,275	29,873	-	1,560	90,708
Motor vehicles	306,938	83,911	(2,001)	7,198	396,046
	478,587	253,967	(2,001)	12,093	742,646



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7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 31.12.2021	Balance as at 1.1.2021 RM	Additions RM	Disposal RM	Exchange differences RM	Balance as at 31.12.2021 RM
At cost					
Renovation	31,976	-	-	(2,251)	29,725
Office equipment	71,784	14,427	-	(5,589)	80,622
Office computers	27,912	83,223	-	(5,056)	106,079
Furniture and fittings	22,639	121,316	-	(6,099)	137,856
Machinery and tools	87,918	7,980	-	(6,485)	89,413
Motor vehicles	548,284	57,086	(26,157)	(39,747)	539,466
	790,513	284,032	(26,157)	(65,227)	983,161
Depreciation charge					
31.12.2021	Balance as at 1.1.2021 RM	Depreciation charge for the financial year RM	Disposal RM	Exchange differences RM	Balance as at 31.12.2021 RM
Accumulated depreciation					
Renovation	1,625	6,174	-	(344)	7,455
Office equipment	33,146	14,833	-	(2,884)	45,095
Office computers	17,503	18,086	-	(1,904)	33,685
Furniture and fittings	8,451	18,988	-	(1,300)	26,139
Machinery and tools	47,698	15,512	-	(3,935)	59,275
Motor vehicles	237,102	101,740	(11,875)	(20,029)	306,938
	345,525	175,333	(11,875)	(30,396)	478,587
Company					
31.12.2022			Balance as at 6.8.2021 (date of incorporation) RM	Additions RM	Balance as at 31.12.2022 RM
At cost					
Renovation			-	204,854	204,854
Office computers			-	26,429	26,429
Furniture and fittings			-	47,222	47,222
			-	278,505	278,505

Notes to the Financial Statements

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7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

31.12.2022	Balance as at 6.8.2021 (date of incorporation) RM	Depreciation charge for the financial period RM	Balance as at 31.12.2022 RM
Accumulated depreciation			
Renovation	-	45,523	45,523
Office computers	-	1,947	1,947
Furniture and fittings	-	4,995	4,995
	-	52,465	52,465

Carrying amount	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Renovation	175,988	22,270	159,331
Office equipment	59,144	35,527	-
Office computers	105,448	72,394	24,482
Furniture and fittings	142,321	111,717	42,227
Machinery and tools	221,672	30,138	-
Motor vehicles	208,679	232,528	-
	913,252	504,574	226,040

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

Group 31.12.2022	Distribution facility RM	Motor vehicles RM	Office RM	Total RM
Cost				
As at 1 January 2022	3,650,325	1,544,528	-	5,194,853
Addition	-	-	542,294	542,294
Exchange differences	73,720	31,192	-	104,912
As at 31 December 2022	3,724,045	1,575,720	542,294	5,842,059



Notes to the Financial Statements

31 December 2022

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (cont'd)

Right-of-use assets (cont'd)

	Distribution facility RM	Motor vehicles RM	Office RM	Total RM
Accumulated depreciation				
As at 1 January 2022	2,754,963	634,946	-	3,389,909
Depreciation charged for the year	833,047	311,356	165,702	1,310,105
Exchange differences	65,770	16,612	-	82,382
As at 31 December 2022	3,653,780	962,914	165,702	4,782,396

Group 31.12.2021	Distribution facility RM	Motor vehicles RM	Total RM
Cost			
As at 1 January 2021	3,926,760	1,592,927	5,519,687
Addition	-	66,198	66,198
Exchange differences	(276,435)	(114,597)	(391,032)
As at 31 December 2021	3,650,325	1,544,528	5,194,853

	Distribution facility RM	Motor vehicles RM	Total RM
Accumulated depreciation			
As at 1 January 2021	2,074,515	364,108	2,438,623
Depreciation charged for the year	858,365	307,906	1,166,271
Exchange differences	(177,917)	(37,068)	(214,985)
As at 31 December 2021	2,754,963	634,946	3,389,909

Notes to the Financial Statements

31 December 2022

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Company as lessee

Right-of-use assets

Company 31.12.2022	Office RM	Total RM
Cost		
As at 6 August 2021 (date of incorporation)	-	-
Addition	542,294	542,294
As at 31 December 2022	542,294	542,294
	Office RM	Total RM
Accumulated depreciation		
As at 6 August 2021 (date of incorporation)	-	-
Depreciation charged for the period	165,702	165,702
As at 31 December 2022	165,702	165,702

Carrying amount	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Distribution facility	70,265	895,362	-
Motor vehicles	612,806	909,582	-
Office	376,592	-	376,592
	1,059,663	1,804,944	376,592

Lease liabilities

Group 31.12.2022	Distribution facility RM	Motor vehicles RM	Office RM	Total RM
As at 1 January 2022	1,621,905	755,747	-	2,377,652
Addition	-	-	542,294	542,294
Lease payments	(1,691,277)	(384,863)	(168,206)	(2,244,346)
Interest expense	56,503	36,524	16,991	110,018
Exchange differences	12,869	11,025	-	23,894
As at 31 December 2022	-	418,433	391,079	809,512



Notes to the Financial Statements

31 December 2022

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities (cont'd)

31.12.2021	Distribution facility RM	Motor vehicles RM	Total RM
As at 1 January 2021	3,233,638	1,117,337	4,350,975
Addition	-	49,648	49,648
Lease payments	(1,597,456)	(405,036)	(2,002,492)
Interest expense	159,982	61,543	221,525
Exchange differences	(174,259)	(67,745)	(242,004)
As at 31 December 2021	1,621,905	755,747	2,377,652

Company 31.12.2022	Office RM	Total RM
As at 6 August 2021 (date of incorporation)	-	-
Addition	542,294	542,294
Lease payments	(168,206)	(168,206)
Interest expense	16,991	16,991
As at 31 December 2022	391,079	391,079

	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Represented by:			
Non-current liabilities	339,198	404,874	209,581
Current liabilities	470,314	1,972,778	181,498
	809,512	2,377,652	391,079

	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Lease liabilities owing to:			
Financial institutions			
- motor vehicles	67,345	268,535	-
Non-financial institutions			
- motor vehicles	351,088	487,212	-
- distribution facility	-	1,621,905	-
- office	391,079	-	391,079
	809,512	2,377,652	391,079

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31 December 2022

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(a) The Group made the following cash payments to purchase right-of-use assets:

	31.12.2022 RM	Group 31.12.2021 RM
Additions of right-of-use assets	542,294	66,198
Less: Financed by lease liabilities	(542,294)	(49,648)
Cash payments on purchase of right-of-use assets	-	16,550

(b) The following are the amounts recognised in profit or loss:

	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Cost of sales:			
Interest expense on lease liabilities	56,503	159,982	-
Depreciation of right-of-use assets	833,047	858,365	-
Expenses relating to short-term lease	-	19,764	-
Finance costs:			
Interest expense on lease liabilities	53,515	61,543	16,991
Selling and administrative expenses:			
Depreciation of right-of-use assets	477,058	307,906	165,702
Expenses relating to short-term lease	73,469	34,330	-
Expenses relating to leases of low-value assets	17,742	11,596	-
	1,511,334	1,453,486	182,693

(c) The following table sets out the carrying amounts, the weighted average incremental borrowing rate and the remaining maturities of the lease liabilities:

	Weighted average incremental borrowing rate %	Within 1 year RM	1 - 5 years RM	Total RM
Group				
31.12.2022				
Lease liabilities	4.65%	470,314	339,198	809,512
31.12.2021				
Lease liabilities	6.26%	1,972,778	404,874	2,377,652
Company				
31.12.2022				
Lease liabilities	3.88%	181,498	209,581	391,079



Notes to the Financial Statements

31 December 2022

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

- (d) At the end of the financial year/period, the Group and the Company had total cash outflow for leases of RM2,335,557 (31.12.2021: RM2,068,182) and RM168,206 respectively.
- (e) The table below summarises the maturity profile of the lease liabilities of the Group and the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	Within 1 year RM	1 - 5 years RM	Total RM
Group			
31.12.2022			
Lease liabilities	488,728	350,809	839,537
31.12.2021			
Lease liabilities	2,028,836	404,874	2,433,710
Company			
31.12.2022			
Lease liabilities	193,464	214,362	407,826

- (f) Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

9. INVESTMENT IN A SUBSIDIARY

	Company 31.12.2022 RM
Unquoted equity shares, at cost	11,501,000

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Effective interest in equity 2022 %	Principal activities
Vine Growth Holdings Pte. Ltd.	Singapore	100.00	Investment holding company and provision of management consultancy services
Subsidiaries of Vine Growth Holdings Pte. Ltd.			
Bai Li Holdings Co., Ltd.	Thailand	51.00*	Investment holding company

* The effective interest in equity held is based on voting rights.

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31 December 2022

9. INVESTMENT IN A SUBSIDIARY (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name of Company	Country of incorporation	Effective interest in equity 2022 %	Principal activities
Subsidiaries of Bai Li Holdings Co., Ltd.			
Bai Li Enterprise Co., Ltd.	Thailand	75.01	Distribution of consumer packaged foods
Subsidiary of Bai Li Enterprise Co., Ltd.			
Keymall Retail Co., Ltd.	Thailand	56.26	Online retailer of consumer packaged foods

By a conditional share sale agreement dated 11 March 2022, the Company acquired the entire issued share capital of Vine Growth Holdings Pte. Ltd. ("Vine Growth Holdings") from the vendors of Vine Growth Holdings, namely Saranjit Wang, Mo Guopiao, He Haibin and Capital Pairing Pte. Ltd. for a total purchase consideration of RM11,501,000 satisfied entirely by the issuance of 11,501,000 new ordinary shares of the Company, credited as fully paid-up at an issue price of RM1.00 per share to the abovementioned vendors in the manner as set out in the Prospectus, pursuant to the listing of and quotation for the entire ordinary shares in the Company on the ACE Market of Bursa Malaysia Securities Berhad.

The purchase consideration is arrived at on a "willing-buyer willing-seller" basis after taking into consideration the 75.01% effective interest of the combined net asset value of Vine Growth Holdings and its combining entities based on the management accounts as at 31 December 2021, equivalent to approximately RM11,501,000 (based on the exchange rate of THB100: RM12.5540). The Company acquired the entire issued share capital of Vine Growth Holdings on 29 November 2022. Thereafter, the subsidiaries of Vine Growth Holdings, namely Bai Li Holdings Co., Ltd., Bai Li Enterprise Co., Ltd. and Keymall Retail Co., Ltd. became indirect subsidiaries of the Company.

The acquisitions of Vine Growth Holdings and its subsidiaries have been accounted for as a business combination amongst entities under common control. Accordingly, the financial statements of Wellspire Holdings Berhad have been consolidated using the merger method of accounting.

Under merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer.

10. INVENTORIES

	31.12.2022	Group 31.12.2021
	RM	RM
At cost		
Finished goods	7,817,444	6,251,546

During the financial year, inventories of the Group recognised as cost of sales amounted to RM95,226,331 (31.12.2021: RM96,260,219). The Group has also written down inventories by RM291,987 during the financial year (31.12.2021: RM189,051).

Notes to the Financial Statements

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11. TRADE AND OTHER RECEIVABLES

	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Trade receivables			
Third parties	18,780,558	18,122,982	-
Less: Impairment losses	(132,298)	(195,230)	-
	18,648,260	17,927,752	-
Amount due from a related party	-	17,081	-
Total trade receivables	18,648,260	17,944,833	-
Other receivables			
Other receivables	866,179	20,871	-
Deposits	76,351	144,342	67,282
Total other receivables	942,530	165,213	67,282
Prepayments	774,321	340,531	589,625
Total trade and other receivables	20,365,111	18,450,577	656,907

- (a) Trade and other receivables are classified as financial assets and measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group to retail customers ranges from 30 days to 60 days and wholesale customers are dealt on cash terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group did not renegotiate the terms of any trade receivables during the financial year.
- (c) Lifetime expected loss provision for trade receivables at the end of the reporting period are as follows:

Group 31.12.2022	Gross carrying amount RM	Lifetime expected loss RM	Net carrying amount RM
Collective assessment			
Not past due	17,426,907	(2,393)	17,424,514
Past due			
1-30 days	1,217,415	(2,576)	1,214,839
31-120 days	20,293	(16,239)	4,054
More than 120 days	115,943	(111,090)	4,853
	18,780,558	(132,298)	18,648,260

Notes to the Financial Statements

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11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (c) Lifetime expected loss provision for trade receivables at the end of the reporting period are as follows (cont'd):

31.12.2021	Gross carrying amount RM	Lifetime expected loss RM	Net carrying amount RM
Collective assessment			
Not past due	16,863,971	(9,991)	16,853,980
Past due			
1-30 days	1,060,677	(6,682)	1,053,995
31-120 days	39,037	(22,068)	16,969
More than 120 days	176,378	(156,489)	19,889
	18,140,063	(195,230)	17,944,833

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Management assesses the expected credit losses for portfolios of trade receivables collectively based on customer segments, historical information on payment patterns, terms of payment, concentration maturity, and information about the general economic situation in the country where customer operates. The individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

- (d) The reconciliation of movement in the impairment losses for trade receivables is as follows:

	12-month expected credit losses allowance RM
At 1 January 2022	195,230
Reversal of impairment losses	(66,072)
Exchange differences	3,140
At 31 December 2022	132,298
At 1 January 2021	228,706
Reversal of impairment losses	(18,045)
Exchange differences	(15,431)
At 31 December 2021	195,230

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

Notes to the Financial Statements

31 December 2022

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) The credit risk concentration profile of the trade receivables of the Group at the end of each reporting period are as follows:

	31.12.2022		Group		31.12.2021	
	RM	%	RM	%	RM	%
Customer A	10,631,373	57	10,513,288	58		
Customer B	4,416,109	24	4,536,707	25		
	15,047,482	81	15,049,995	83		

- (f) Included in the other receivables of the Group for the financial year ended 31 December 2022 are reimbursement of promotional expenses receivable from a supplier of the Group amounted to RM837,351 (31.12.2021: Nil).
- (g) No expected credit losses were recognised arising from other receivables as the amounts were negligible.
- (h) The currency exposure profile of the total trade and other receivables, excluding prepayments are as follows:

	Group		Company
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM
Ringgit Malaysia	67,282	142,918	67,282
Thai Baht	19,523,508	17,967,128	-
	19,590,790	18,110,046	67,282

- (i) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	31.12.2022 RM	31.12.2021 RM
Effects of 5% changes to RM against foreign currency		
Other comprehensive income		
Thai Baht	976,175	898,356

12. CASH AND BANK BALANCES

	Group		Company
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM
Cash and bank balances	10,469,837	5,881,610	6,246,996

Notes to the Financial Statements

31 December 2022

12. CASH AND BANK BALANCES (CONT'D)

- (a) Cash and bank balances are classified as financial assets and measured at amortised cost.
- (b) The currency exposure profile of the cash and bank balances are as follows:

	31.12.2022	Group 31.12.2021	Company 31.12.2022
	RM	RM	RM
Ringgit Malaysia	316,354	764,304	316,354
Thai Baht	4,010,586	3,788,583	-
United States Dollar	5,962,708	1,081,427	5,928,555
Singapore Dollar	180,189	247,296	2,087
	10,469,837	5,881,610	6,246,996

- (c) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	31.12.2022	Group 31.12.2021	Company 31.12.2022
	RM	RM	RM
Effects of 5% changes to RM against foreign currencies			
Profit/(Loss) after tax			
United States Dollar	298,135	54,071	(296,428)
Singapore Dollar	9,009	12,365	(104)
Effects of 5% changes to RM against foreign currencies			
Other comprehensive income			
Thai Baht	200,529	189,429	-

- (d) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.



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13. SHARE CAPITAL

	Group and Company	
	Number of shares	Amount RM
Issued and fully paid with no par value		
Balance as at 6 August 2021 (date of incorporation)	10,000	10,000
Issued during the financial period	1,990,000	1,990,000
Balance as at 31 December 2021/ 1 January 2022	2,000,000	2,000,000
Issued during the financial year	10,000,000	10,000,000
Issued for the acquisition of a subsidiary	11,501,000	11,501,000
Subdivision of existing ordinary shares	564,024,000	-
Balance as at 31 December 2022	587,525,000	23,501,000

- (a) On 6 August 2021, the Company was incorporated with an issued and paid-up share capital of RM10,000 comprising 10,000 ordinary shares of RM1.00 each as subscriber's shares.
- (b) On 19 November 2021, the Company allotted 1,990,000 ordinary shares at an issue price of RM1.00 per share for a total cash consideration of RM1,990,000.
- (c) On 9 March 2022, the Company further allotted 10,000,000 ordinary shares at an issue price of RM1.00 per share for a total cash consideration of RM10,000,000.
- (d) On 29 November 2022, the Company increased its issued and paid up share capital from RM12,000,000 to RM23,501,000 by way of issuance of 11,501,000 new ordinary shares for a total consideration of RM11,501,000 as full payment for the acquisition of the aggregate net assets of Vine Growth Holdings and its subsidiaries.
- (e) On 30 November 2022, the Company had carried out a subdivision of one (1) existing ordinary share in the Company to twenty five (25) new ordinary shares in the Company ("subdivision"). Upon completion of the subdivision, the total number of ordinary shares increased to 587,525,000 shares.
- (f) The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issuance of shares during the financial period. The Company did not issue any debentures during the financial period.
- (g) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at general meeting of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

Notes to the Financial Statements

31 December 2022

14. RESERVES

	Group	
	31.12.2022	31.12.2021
	RM	RM
Non-distributable:		
Foreign currency translation	(414,095)	(612,506)
Merger reserve	(10,721,287)	(10,721,287)
Legal reserve	52,743	52,743
	(11,082,639)	(11,281,050)

(a) Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the consolidated financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Merger reserve

The merger reserve arose as a result of the excess of the consideration paid over the share capital of the subsidiaries pursuant to the internal reorganisation exercise for the purpose of the Company's listing on ACE Market of Bursa Malaysia Securities Berhad.

(c) Legal reserve

In accordance with the Civil and Commercial Code of Thailand, the Group's subsidiaries operating in Thailand must appropriate a reserve fund at each distribution of dividend, being at least 5% of the profit or more until such legal reserve reaches 10% of the registered capital.

15. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group	
	31.12.2022	31.12.2021
	RM	RM
As at 1 January	(1,296,745)	(1,798,626)
Recognised in profit or loss (Note 20)	(1,038,625)	521,079
Exchange differences	1,469	(19,198)
As at 31 December	(2,333,901)	(1,296,745)
Presented after appropriate offsetting:		
Deferred tax assets, net	-	203,163
Deferred tax liabilities, net	(2,333,901)	(1,499,908)
	(2,333,901)	(1,296,745)



Notes to the Financial Statements

31 December 2022

15. DEFERRED TAX LIABILITIES (CONT'D)

- (b) The component of deferred tax assets and deferred tax liabilities during the financial year prior to offsetting are as follows:

	Right-of-use assets RM	Other deductible temporary differences RM	Total RM
Deferred tax assets of the Group			
As at 1 January 2022	127,711	75,452	203,163
Recognised in profit or loss	(169,168)	(47,378)	(216,546)
Exchange differences	522	947	1,469
As at 31 December 2022 (before off-setting)	(40,935)	29,021	(11,914)
Off-setting	40,935	(29,021)	11,914
As at 31 December 2022 (after off-setting)	-	-	-
As at 1 January 2021	283,166	45,740	328,906
Recognised in profit or loss	(140,748)	34,203	(106,545)
Exchange differences	(14,707)	(4,491)	(19,198)
As at 31 December 2021 (before off-setting)	127,711	75,452	203,163
Off-setting	(127,711)	(75,452)	(203,163)
As at 31 December 2021 (after off-setting)	-	-	-
			Group Withholding tax on undistributed profits/ Total RM
Deferred tax liabilities of the Group			
As at 1 January 2022			1,499,908
Recognised in profit or loss			822,079
As at 31 December 2022 (before off-setting)			2,321,987
Off-setting			11,914
As at 31 December 2022 (after off-setting)			2,333,901
As at 1 January 2021			2,127,532
Recognised in profit or loss			(627,624)
As at 31 December 2021 (before off-setting)			1,499,908
Off-setting			(203,163)
As at 31 December 2021 (after off-setting)			1,296,745

Notes to the Financial Statements

31 December 2022

15. DEFERRED TAX LIABILITIES (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	31.12.2022	31.12.2021
	RM	RM
Unabsorbed tax losses, gross		
Expires by 31 December 2025	44,716	43,831
Expires by 31 December 2027	12,237	11,995
Expires by 31 December 2028	158,207	-
	215,160	55,826

Deferred tax assets of a subsidiary have not been recognised in respect of unabsorbed tax losses as it is not probable that taxable profit of the subsidiary would be available against which the unabsorbed tax losses could be utilised.

The amount and availability of the unabsorbed tax losses to be carried forward up to the periods as disclosed above are subject to the agreement of the Revenue Department of Thailand.

16. BORROWINGS

	Group	
	31.12.2022	31.12.2021
	RM	RM
Non-current liabilities		
Term loans	221,363	308,662
Current liabilities		
Term loans	97,190	99,664
Invoice financing	2,435,668	7,221,713
Revolving credit	2,544,000	2,493,640
	5,076,858	9,815,017
Total borrowings	5,298,221	10,123,679



Notes to the Financial Statements

31 December 2022

16. BORROWINGS (CONT'D)

(a) Details of the borrowings are as follows:

	31.12.2022 RM	Group 31.12.2021 RM
Non-current		
Unsecured term loan I from financial institution of THB3,500,000 repayable by 84 equal monthly instalments commencing on 23 January 2020. The borrowing bears a fixed interest rate of 3% per annum in Year 1 to Year 3 and variable interest rate in Year 4 to Year 7 at Minimum Retail Rate ("MRR") minus 1% per annum.	157,114	214,350
Secured term loan II from financial institution of THB726,400 repayable by 60 equal monthly instalments commencing on 30 November 2024. The borrowing bears a variable interest rate of Minimum Loan Rate ("MLR") minus 2.00% per annum and guaranteed by a Director of the Company.	28,347	46,440
Secured term loan III from financial institution of THB531,000 repayable by 60 equal monthly instalments commencing on 31 July 2021. The borrowing bears a variable interest rate of MLR minus 1.00% per annum and guaranteed by a Director of the Company.	35,902	47,872
	221,363	308,662
Current		
Unsecured term loan I	65,143	69,048
Secured term loan II	19,070	18,244
Secured term loan III	12,977	12,372
Secured invoice financing IV from financial institution of THB80,000,000 is repayable within 90 days from drawdown. The borrowing bears a variable interest rate of Minimum Loan Rate ("MLR") minus 1.50% per annum. The borrowing is guaranteed by a Director of the Company.	2,435,668	6,510,227
Unsecured revolving credit V from financial institution of THB20,000,000 repayable 3 months after drawdown. The revolving credit bears a fixed interest rate of 2% per annum.	2,544,000	2,493,640
Secured invoice financing VI from financial institution of THB50,000,000 is repayable within 90 days from drawdown. The borrowing bears a variable interest rate of Minimum Loan Rate ("MLR") minus 1.00% per annum. The borrowing is guaranteed by a Director of the Company.	-	711,486
	5,076,858	9,815,017

Notes to the Financial Statements

31 December 2022

16. BORROWINGS (CONT'D)

- (b) Borrowings are classified as financial liabilities and measured at amortised cost.
- (c) Borrowings of the Group are dominated in THB.
- (d) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	31.12.2022	31.12.2021
	RM	RM
Group		
Effects of 5% changes to RM against foreign currency		
Other comprehensive income Thai Baht	(264,911)	(506,184)

- (e) The carrying amounts of the current portion of borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

The fair values of non-current borrowings that carry floating interest rates approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

Fair value of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

- (f) At the end of reporting date, the interest rate profile of the borrowings were:

	31.12.2022	31.12.2021
	RM	RM
Group		
Non-current liabilities:		
Floating rates	221,363	303,527
Fixed rates	-	5,135
	221,363	308,662
Current liabilities:		
Floating rates	2,527,620	7,252,329
Fixed rates	2,549,238	2,562,688
	5,298,221	10,123,679

- (g) At the end of reporting date, the weighted average effective interest rates for the borrowings were as follows:

	31.12.2022	31.12.2021
Group		
Term loans	6.06%	4.22%
Invoice financing	4.47%	4.02%
Revolving credit	2.00%	2.00%



Notes to the Financial Statements

31 December 2022

16. BORROWINGS (CONT'D)

(h) The following table sets out the remaining maturities of the borrowings of the Group:

Group 31.12.2022	On demand or within one year RM	Two to five years RM	Over five years RM	Total RM
Fixed rates				
Term loan	5,238	-	-	5,238
Revolving credit	2,544,000	-	-	2,544,000
	2,549,238	-	-	2,549,238
Floating rates				
Term loans	91,952	221,363	-	313,315
Invoice financing	2,435,668	-	-	2,435,668
	2,527,620	221,363	-	2,748,983
	5,076,858	221,363	-	5,298,221
31.12.2021				
Fixed rates				
Term loan	69,048	5,135	-	74,183
Revolving credit	2,493,640	-	-	2,493,640
	2,562,688	5,135	-	2,567,823
Floating rates				
Term loans	30,616	303,527	-	334,143
Invoice financing	7,221,713	-	-	7,221,713
	7,252,329	303,527	-	7,555,856
	9,815,017	308,662	-	10,123,679

(i) The table below summarises the maturity profile of the borrowings of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Group 31.12.2022	On demand or within one year RM	Two to five years RM	Over five years RM	Total RM
Term loans	113,869	236,832	-	350,701
Invoice financing	2,437,159	-	-	2,437,159
Revolving credit	2,560,728	-	-	2,560,728
	5,111,756	236,832	-	5,348,588

Notes to the Financial Statements

31 December 2022

16. BORROWINGS (CONT'D)

- (i) The table below summarises the maturity profile of the borrowings of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows (cont'd):

31.12.2021

Term loans	111,615	343,758	-	455,373
Invoice financing	7,223,321	-	-	7,223,321
Revolving credit	2,501,838	-	-	2,501,838
	9,836,774	343,758	-	10,180,532

- (j) Sensitivity analysis of interest rate for the floating rate instruments at the end of each reporting period, assuming all other variables remain constant, is as follows:

	Group 31.12.2022 RM	Group 31.12.2021 RM
Effects of 5% changes to profit after tax		
Profit after tax		
Floating rate instruments	(5,113)	(12,337)

Sensitivity analysis for fixed rate borrowings as at the end of each reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

17. TRADE AND OTHER PAYABLES

	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Trade payables			
Third parties	871,010	-	-
Amount due to a related party	-	870,696	-
	871,010	870,696	-
Other payables			
Other payables	166,425	876,999	59,473
Amount due to a subsidiary	-	-	36,684
Accruals	2,879,252	986,394	1,132,389
	3,045,677	1,863,393	1,228,546
Total trade and other payables	3,916,687	2,734,089	1,228,546

- (a) Trade and other payables are classified as financial liabilities and measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 120 days.



Notes to the Financial Statements

31 December 2022

17. TRADE AND OTHER PAYABLES (CONT'D)

- (c) Amount due to a related party in the previous financial year was unsecured, interest-free and was subject to normal trade credit term of 120 days.
- (d) Amount due to a subsidiary represents payments made on behalf, which are interest-free, unsecured and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (e) The currency exposure profile of the trade and other payables are as follows:

	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Ringgit Malaysia	1,228,546	651,554	1,191,862
Thai Baht	1,817,131	1,211,839	-
United States Dollar	871,010	870,696	-
Singapore Dollar	-	-	36,684
	3,916,687	2,734,089	1,228,546

- (f) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant are as follows:

	31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM
Effects of 5% changes to RM against foreign currencies			
Profit after tax			
United States Dollar	(43,550)	(43,535)	-
Singapore Dollar	-	-	1,834
Other comprehensive income			
Thai Baht	(90,857)	(60,592)	-

- (g) The maturity profile of the trade and other payables of the Company at the end of the reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one (1) year.

18. REVENUE

	31.12.2022 RM	Group 31.12.2021 RM
<i>Revenue from contracts with customers:</i>		
Sales of goods	123,366,764	136,707,293
<i>Timing of revenue recognition</i>		
Transferred at a point in time	123,366,764	136,707,293

Notes to the Financial Statements

31 December 2022

18. REVENUE (CONT'D)

- (a) Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 6 to the financial statements.
- (b) There is no significant financing component in the revenue arising from sales of goods as the sales are made on the normal credit terms not exceeding twelve months.

19. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at:

	Group		Company 6.8.2021 (date of incorporation)
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	to 31.12.2022 RM
After charging:			
Auditors' remuneration:			
Statutory audit			
- BDO PLT	93,000	-	93,000
- Member firm of BDO PLT	113,104	115,247	-
- Other auditors	70,733	-	-
Non-statutory audit			
- BDO PLT	934,000	585,000	1,519,000
- Member firm of BDO PLT	1,508	-	-
Depreciation of:			
- property, plant and equipment	253,967	175,333	52,465
- right-of-use assets	1,310,105	1,166,271	165,702
Interest expense on:			
- borrowings	240,194	205,539	-
- lease liabilities	110,018	221,525	16,991
Inventories written down	291,987	189,051	-
Listing expenses	3,931,907	1,795,544	2,658,115
And crediting:			
Dividend income from a former associate	-	(313,531)	-
Gain on disposal of other investments	-	(971,180)	-
Gain on disposal of property, plant and equipment	(7,216)	-	-
Interest income	(2,408)	(1,957)	-
Realised gain on foreign exchange	(193,188)	(15,833)	-
Reversal of impairment losses on trade receivables	(66,072)	(18,045)	-
Net unrealised gain on foreign exchange	(505,429)	-	(504,510)



Notes to the Financial Statements

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20. INCOME TAX EXPENSE

	Group		Company 6.8.2021 (date of incorporation)
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	to 31.12.2022 RM
Current tax expense based on profit for the financial year	1,908,209	4,218,505	-
Deferred tax (Note 15)			
Relating to origination and reversal of temporary differences	1,034,116	(549,822)	-
Under-provision in prior years	4,509	28,743	-
	1,038,625	(521,079)	-
	2,946,834	3,697,426	-

- (a) Malaysian corporate income tax is calculated at the statutory tax rate of 24% of the estimated taxable profit for the fiscal year.
- (b) Thailand corporate income tax is calculated at the statutory tax rate of 20% (2021: 20%) of the estimated taxable profits for the fiscal year.
- (c) Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company 6.8.2021 (date of incorporation)
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	to 31.12.2022 RM
Profit/(Loss) before tax	5,901,896	19,100,651	(6,113,090)
Tax at the Malaysian statutory tax rate of 24%	1,416,455	4,584,156	(1,467,142)
Tax effects in respect of:			
Non-allowable expenses	1,124,777	488,534	1,467,142
Non-taxable income	-	(10)	-
Deferred tax assets not recognised	38,240	2,990	-
Origination of temporary differences on undistributed retained earnings of subsidiaries*	822,079	1,654,589	-
Crystallisation of withholding tax on dividends paid *	-	(2,282,214)	-
Different tax rate in foreign jurisdiction	(424,049)	(845,946)	-
Exchange differences	(35,177)	66,584	-
	2,942,325	3,668,683	-
Under-provision in prior years			
- Deferred tax	4,509	28,743	-
	2,946,834	3,697,426	-

Notes to the Financial Statements

31 December 2022

20. INCOME TAX EXPENSE

- (c) Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows (cont'd):

* 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.

- (d) Tax on each component of other comprehensive income is as follows:

	Before tax RM	Tax effect RM	After tax RM
Group			
1.1.2022 to 31.12.2022			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	264,513	-	264,513
<hr/>			
1.1.2021 to 31.12.2021			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	(813,240)	-	(813,240)

21. EARNINGS PER SHARE

- (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021
Profit for the financial year attributable to ordinary equity holders of the parent (RM)	1,138,432	11,120,068
Weighted average number of ordinary shares in issue	587,525,000	587,525,000
Basic earnings per ordinary share (sen)	0.19	1.89
Expected number of shares upon completion of the Listing	712,125,000	712,125,000
Basic earnings per ordinary share (sen)	0.16	1.56



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31 December 2022

21. EARNINGS PER SHARE (CONT'D)

(a) Basic (cont'd)

In arriving at the earnings per ordinary share for the financial year ended 31 December 2021, it is assumed 587,525,000 ordinary shares were in issue throughout the year as the acquisition of a subsidiary was accounted for under the merger method of accounting.

(b) Diluted

The diluted earnings per share equal basic earnings per share because there are no potential dilutive instruments in existence as at the end of the reporting period.

22. DIVIDEND

	Group	
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM
In respect of the financial year ended 31 December 2021 in a subsidiary		
- Interim dividend paid on 16 April 2021		- 13,193,700
- Final dividend paid on 21 July 2021		- 9,628,435
		- 22,822,135

The Board of Directors did not recommend the payment of any dividend for the financial year ended 31 December 2022.

23. DIRECTORS' REMUNERATION

	Group		Company 6.8.2021 (date of incorporation)
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	to 31.12.2022 RM
Directors of the Company:			
Fees	150,000	-	150,000
Salaries	660,000	165,000	825,000
Contributions to defined contribution plan	105,300	26,325	131,625
Other employee benefits	170,659	37,790	208,448
	1,085,959	229,115	1,315,073
Directors of the subsidiaries:			
Salaries	226,208	-	-
	1,312,167	229,115	1,315,073

Notes to the Financial Statements

31 December 2022

24. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has related party relationship with its subsidiaries, and companies which Directors have substantial direct/indirect financial interests.

(b) In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

	Group	
	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021
	RM	RM
Former associates:		
Sales of goods	-	28,358,399
Dividend income	-	313,531
Settlement fees	-	445,295
Companies which Directors have substantial direct/ indirect financial interests		
Sales of goods	-	66,930
Purchase of goods and services	684,657	4,615,985
Refund of deposit on purchase of software	-	(1,148,304)
Lease paid	1,691,277	1,597,456
Director:		
Lease paid	-	4,532

(c) The related party transactions described above have been entered into the normal course of business and have been established at terms agreed between the parties during the financial year.

Information regarding outstanding balances with related parties of the Group at end of the financial year are disclosed in Notes 11 and 17 to the financial statements.

Information regarding outstanding balance with a subsidiary of the Company at end of the financial period is disclosed in Note 17 to the financial statements.



Notes to the Financial Statements

31 December 2022

24. RELATED PARTY DISCLOSURES (CONT'D)

(d) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

	Group		Company 6.8.2021 (date of incorporation)
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	to 31.12.2022 RM
Short term employees benefits	589,786	456,698	372,000
Contributions to defined contribution plan	41,387	36,901	49,657
	631,173	493,599	421,657

25. EMPLOYEE BENEFITS

	Group		Company 6.8.2021 (date of incorporation)
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	to 31.12.2022 RM
Short term employees benefits	5,035,591	3,841,678	1,695,230
Contributions to defined contribution plan	209,351	73,720	195,015
	5,244,942	3,915,398	1,890,245

26. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged throughout the reporting periods.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

The Group monitors capital using a gearing ratio, which is total borrowings, including lease liabilities on motor vehicles divided by total equity.

Notes to the Financial Statements

31 December 2022

26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Capital management (cont'd)

	31.12.2022	Group 31.12.2021
	RM	RM
Borrowings (Note 16)	5,298,221	10,123,679
Lease liabilities on motor vehicles (Note 8)		
- owing to financial institutions	67,345	268,535
- owing to non- financial institutions	351,088	487,212
Total debt	5,716,654	10,879,426
Total equity	27,710,603	14,471,713
Gearing ratio	0.21	0.75

The gearing ratio for the Company is not presented as the Company does not have borrowings as at the end of the reporting period.

(b) Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable institutions and organisations. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade and other receivables. The credit period is generally for a period of one (1) month, extending up to two (2) months for major customers. Each customer has a maximum credit limit and the Group seek to maintain strict control over its outstanding receivables via a credit control section to minimise credit risk. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The risk concentration profile has been disclosed in Note 11 to the financial statements.

(ii) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.



Notes to the Financial Statements

31 December 2022

26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

The analysis of financial instruments by remaining contractual maturities has been disclosed in Note 8, Note 16 and Note 17 to the financial statements.

(iii) Interest rate risk

The primary interest rate risk of the Group relates to interest-earning deposits and interest-bearing borrowings from financial institutions. The fixed-rate deposits and borrowings of the Group is exposed to a risk of changes in their fair values due to changes in interest rates. The floating rate borrowings of the Group are exposed to a risk of change in cash flows due to changes in interest rates. The Group borrows in the desired currencies at both fixed and floating rates of interest.

The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of their assets. This strategy allows the Group to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 8 and Note 16 to the financial statements.

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign currency rate.

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities. Exposure in foreign currency is monitored on an ongoing basis and the Group and the Company endeavour to keep the net exposure at an acceptable level.

The foreign currency profile and sensitivity analysis have been disclosed in Note 11, Note 12, Note 16 and Note 17 to the financial statements.

27. COMMITMENT

Capital commitment

The Group's and the Company's capital commitment at the end of each reporting period are as follows:

	Group and Company	
	31.12.2022	31.12.2021
	RM	RM
Approved but not contracted for:		
Acquisition of a warehouse and operational facility in Thailand	16,000,000	16,000,000

Notes to the Financial Statements

31 December 2022

28. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR/PERIOD

(a) Corporate restructuring

By a conditional share sale agreement dated 11 March 2022, the Company acquired the entire issued share capital of Vine Growth Holdings from the vendors of Vine Growth Holdings, namely Saranjit Wang, Mo Guopiao, He Haibin and Capital Pairing Pte. Ltd. for a total purchase consideration of RM11,501,000 satisfied entirely by the issuance of 11,501,000 new ordinary shares of the Company, credited as fully paid-up at an issue price of RM1.00 per share to the abovementioned vendors in the manner as set out in the Prospectus, pursuant to the listing of and quotation for the entire ordinary shares in the Company on the ACE Market of Bursa Malaysia Securities Berhad.

The purchase consideration is arrived at on a “willing-buyer willing-seller” basis after taking into consideration the 75.01% effective interest of the combined net asset value of Vine Growth Holdings and its combining entities based on the management accounts as at 31 December 2021, equivalent to approximately RM11,501,000 (based on the exchange rate of THB100: RM12.5540). The Company acquired the entire issued share capital of Vine Growth Holdings on 29 November 2022. Thereafter, the subsidiaries of Vine Growth Holdings, namely Bai Li Holdings Co. Ltd., Bai Li Enterprise Co. Ltd. and Keymall Retail Co. Ltd. became indirect subsidiaries of the Company.

(b) Subdivision of shares

Following the acquisition of Vine Growth Holdings, the Company had carried out a subdivision of one (1) existing ordinary share in the Company to twenty five (25) new ordinary shares in the Company (“subdivision”) on 30 November 2022. Upon completion of the subdivision, the total number of ordinary shares increased to 587,525,000 shares.

29. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD

(a) Initial Public Offering (“IPO”) and listing of the Company on Bursa Malaysia Securities Berhad

In conjunction with the Company’s listing on the ACE Market of Bursa Securities Malaysia Securities Berhad, the Company issued its Prospectus for its IPO entailing the following:

- (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 the Company’s eligible Directors, employees and persons who have contributed to the success of the Group; and
 - c) 78,600,000 Public Issue Shares by way of private placement to selected investors;
- (ii) Offer for sale of 124,600,000 existing ordinary shares by way of private placement to selected investors.

Upon completion of the IPO, the Company was admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 712,125,000 shares were listed and quoted on the ACE Market of Bursa Securities on 16 January 2023.



Notes to the Financial Statements

31 December 2022

29. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD (CONT'D)

(b) Exclusive distribution agreement with HH International Enterprise Limited (“HH”)

On 23 March 2023, a subsidiary of the Company, Bai Li Enterprise Co. Ltd. (“Bai Li Enterprise”) entered into a distribution agreement with HH International Enterprise Limited (“HH”), whereby Bai Li Enterprise has been appointed as the exclusive distributor of “WEILONG” brand products by HH. The products supplied by HH will only be marketed, distributed and sold by Bai Li Enterprise in Thailand.

The agreement shall be valid for ten (10) months, commencing from 23 March 2023 to 31 December 2023. If Bai Li Enterprise wishes to continue the agreement after 31 December 2023, Bai Li Enterprise must make a written notice to HH at least 1 month before the expiry date. The new agreement will be made for the next period subject to the satisfaction of both parties.

Bai Li Enterprise will commence with the distribution of the WEILONG brand konjac and seasoned flour products, namely Weilong Big Hot Stick (Latiao) and Weilong Konjac Shuang. The exclusive distribution agreement does not have any material financial impact on the Group and the Company as at the end of the reporting period.

(c) Incorporation of a subsidiary

On 21 March 2023, the Company had incorporated a new subsidiary known as Wellspire Global Trading Sdn. Bhd. with a paid-up share capital of RM1.00 comprising 100,000 ordinary shares. The intended principal activity of the subsidiary is trading of food products.

30. COMPARATIVE FIGURES

There are no comparative figures presented as this is the Company’s first set of audited financial statements since its incorporation on 6 August 2021.



Additional Disclosure Requirements

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 16 January 2023 (“Listing”). In conjunction with the Listing, the Company undertook a public issue of 124.60 million new ordinary shares at an issue price of RM0.23 per ordinary share, raising gross proceeds of RM28.66 million.

As at 31 December 2022, the public issue was pending completion. The gross proceeds from the public issue amounting to RM28.66 million is intended to be utilized in the following manner:-

Details of utilisation	Estimated Timeframe for the utilization upon listing	Proposed Utilisation RM'000	Actual Utilisation ⁽¹⁾ 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	Within 3 months	6,700	-
Total		28,658	-

Note: ⁽¹⁾ As at 31 December 2022, the public issue was pending completion.

2. AUDIT AND NON-AUDIT FEES

During the year under review, the amount of statutory audit and non-statutory audit fees payable by the Company and its subsidiaries were RM276,837 and RM935,508 respectively.

The non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the auditors’ firm by the Company and its subsidiaries during the financial year ended 31 December 2022 were RM935,508. The nature of services rendered for non-statutory audit fees were mainly Reporting Accountant for listing exercise.

3. MATERIAL CONTRACTS

During the financial year, Wellspire Holdings Berhad (“Wellspire”) had entered into the following agreements:

- (a) The deed of assignment dated 1 January 2022 between Saranjit Wang (as assignor) and Bai Li Enterprise (as assignee) whereby Saranjit Wang agreed to assign the trademarks she owns to Bai Li Enterprise.
- (b) The share sale agreement dated 11 March 2022 and supplemental letter dated 9 September 2022 between Mo Guopiao, He Haibin, Saranjit Wang and Capital Pairing Pte. Ltd. (as vendors) and Wellspire (as purchaser) in respect to the acquisition by Wellspire of the entire issued share capital of Vine Growth Holdings of SGD5,969,000 comprising 5,969,000 ordinary shares from the aforementioned vendors, for a total purchase consideration of RM11,501,000, which was satisfied entirely by the issuance of 11,501,000 new Shares, credited as fully paid-up at an issue price of RM1.00 per Share; and
- (c) Underwriting agreement dated 12 December 2022 entered into between the Company and the underwriter for the underwriting of 36,000,000 Shares made available for application by the Malaysian public via balloting at the initial public offering (“IPO”) price of RM0.23 per IPO Share in conjunction with the listing of the Company on the ACE Market of Bursa Securities.

Save for the above, there were no other material contracts entered into by the Company and / or its subsidiaries involving the interest of the Directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2022.



Additional Disclosure Requirements

4. MATERIAL CONTRACTS RELATING TO LOANS

During the financial year ended 31 December 2022, there was no material contract relating to loans entered into by the Company or its subsidiaries involving the interest of Directors and substantial shareholders.

5. RECURRENT RELATED PARTY TRANSACTIONS

Wellspire will be seeking for new shareholders' mandate for recurrent related party transactions at the coming annual general meeting to be convened on 9 June 2023.

6. EMPLOYEE SHARE OPTION SCHEME

During the financial year ended 31 December 2022, there was no issuance of any Employee Share Scheme.

7. LIST OF PROPERTIES

During the financial year ended 31 December 2022, there was no list of properties.



Analysis of Shareholdings

As At 10 April 2023

Issued Shares :	712,125,000 ordinary shares
Class of Shares :	Ordinary Shares
Voting Rights :	One vote per share

ANALYSIS BY SHAREHOLDINGS

Distribution of shareholdings according to size:

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1-99	2	0.152	4	0.00
100-1,000	108	8.225	57,000	0.008
1,001-10,000	549	41.812	3,488,396	0.489
10,001-100,000	545	41.507	19,667,100	2.761
100,001 to less than 5% of issued shares	104	7.920	138,337,500	19.426
5% and above of issued shares	5	0.380	550,575,000	77.314
Total	1,313	100.00	712,125,000	100.00

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

Name of Shareholder	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Mo Guopiao	200,562,500	28.163	121,250,000 ⁽¹⁾	17.026
Silver Line Capital Sdn Bhd	121,250,000	17.026	-	-
CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	93,400,000	13.115	-	-
He Haibin	84,412,500	11.853	-	-
Capital Pairing Pte Ltd	50,950,000	7.154	-	-
Besanger Serge Pierre	-	-	50,950,000 ⁽²⁾	7.154

Notes:

⁽¹⁾ Deemed interested by virtue of his shareholdings in Silver Line Capital Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016 ("the Act").

⁽²⁾ Deemed interested by virtue of his shareholdings in Capital Pairing Pte Ltd pursuant to Section 8(4) of the Act.

SHAREHOLDINGS OF DIRECTORS

(As per Register of Directors' Shareholdings)

Name of Directors	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Yang Hormat Mulia Tengku Dato' Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah	700,000	0.098	-	-
Mo Guopiao	200,562,500	28.163	121,250,000 ⁽¹⁾	17.023
Saranjit Wang	5,750,000	0.087	1,000,000 ⁽²⁾	0.140
Kua Chin Teck	700,000	0.098	-	-
Tang Yuen Kin	100,000	0.014	-	-
Fazidah Bt Zakaria	480,000	0.067	-	-
Yang Shing Sing	700,000	0.098	-	-

Notes:

⁽¹⁾ Deemed interested by virtue of his shareholdings in Silver Line Capital Sdn Bhd pursuant to Section 8(4) of the Act.

⁽²⁾ Deemed interested by virtue of her spouse, Mr Wang Zheng's shareholdings in the Company pursuant to Section 59(11)(c) of the Act.



Analysis of Shareholdings

As At 10 April 2023

THIRTY (30) LARGEST SHAREHOLDERS

No	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	Mo Guopiao	200,562,500	28.163
2.	Silver Line Capital Sdn Bhd	121,250,000	17.026
3.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Kenanga Yield Enhancement Fund	93,400,000	13.115
4.	He Haibin	84,412,500	11.853
5.	Capital Pairing Pte Ltd	50,950,000	7.154
6.	Citigroup Nominees (Tempatan) Sdn Bhd Kenanga Investors Berhad for Jain Consultancy Sdn Bhd	31,200,000	4.381
7.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Andriaty Binti Abdul Rahman	12,500,000	1.755
8.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Norsamira Binti Mohd Zooki	10,600,000	1.488
9.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Syed Mohd Hafiz Bin Syed Mohd	7,500,000	1.053
10.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Raymond Liaw Jia Jie	6,300,000	0.884
11.	Saranjit Wang	5,750,000	0.807
12.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Azlin Romlez Bin Taslim	5,600,000	0.786
13.	Lim Seng Gee	5,150,000	0.723
14.	Kenanga Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte Ltd (Client account)	3,760,000	0.527
15.	Mrs Rongrong Bhuridej	3,000,000	0.421
16.	Atoz Alliance Sdn Bhd	2,270,000	0.318
17.	Az Biz Hub Sdn Bhd	1,753,900	0.246
18.	Aznam Bin Shahuddin	1,740,000	0.244
19.	Yeo Hock Cheong	1,700,000	0.238
20.	Apex Securities Berhad IVT PDR 201	1,566,800	0.220
21.	Mohd Othman Bin Haji Taslim	1,420,000	0.199
22.	Lily Nur Aqmar Binti Mohd Adnan	1,330,200	0.186
23.	SJR Holdings Sdn Bhd	1,300,000	0.182
24.	RL Advisory Sdn Bhd	1,242,000	0.174
25.	Abdul Rahim Bin Taslim	1,225,900	0.172
26.	Mohammad Suffian Bin Md Yusof	1,200,000	0.168
27.	Infinity Capital Partners Sdn Bhd	1,183,000	0.166
28.	Aimy Binti Md Yusof	1,075,000	0.150
29.	RHB Nominess (Tempatan) Sdn Bhd Pledged Securities Account for Tin Jiing Soon	1,070,000	0.150
30.	Ahmad Mursyid Bin Azhar	1,063,500	0.149
	Total	663,075,300	93.112

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting (“1st AGM”) of the Company will be held virtually through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities via TIIH Online website at <https://tjih.online> from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“Broadcast Venue”) on **Friday, 9 June 2023, at 10.00 a.m.** to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period from 6 August 2021 (date of incorporation) to 31 December 2022 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To approve the payment of Directors’ fees of up to RM150,000 for the period from 15 March 2022 (date of appointment) until 31 December 2022. **Ordinary Resolution 1**
(Please refer to Explanatory Note 2)
3. To approve the payment of Directors’ fees of up to RM300,000 for the period from 1 January 2023 until the next Annual General Meeting of the Company to be held in 2024. **Ordinary Resolution 2**
(Please refer to Explanatory Note 2)
4. To approve the payment of Directors’ benefits of up to RM19,500 for the period from 15 March 2022 (date of appointment) until 31 December 2022. **Ordinary Resolution 3**
(Please refer to Explanatory Note 2)
5. To approve the payment of Directors’ benefits of up to RM100,000 for the period from 1 January 2023 until the next Annual General Meeting of the Company to be held in 2024. **Ordinary Resolution 4**
(Please refer to Explanatory Note 2)
6. To re-elect the following Directors who are retiring by rotation in accordance with Clause 77(2) and (5) of the Constitution of the Company and, who being eligible, offer themselves for re-election: (Please refer to Explanatory Note 3)
 - (a) YHM Tengku Dato’ Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah **Ordinary Resolution 5**
 - (b) Mr Mo Guopiao **Ordinary Resolution 6**
 - (c) Madam Saranjit Wang **Ordinary Resolution 7**
 - (d) Mr Kua Chin Teck **Ordinary Resolution 8**
 - (e) Mr Tang Yuen Kin **Ordinary Resolution 9**
 - (f) Puan Fazidah Bt Zakaria **Ordinary Resolution 10**
 - (g) Ms Yang Shing Sing **Ordinary Resolution 11**
7. To re-appoint Messrs BDO PLT as External Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 12**
(Please refer to Explanatory Note 4)



Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications:

8. **SPECIAL RESOLUTION** **Special Resolution**
WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016 (Please refer to Explanatory Note 5)

“THAT pursuant to Section 85 of the Companies Act 2016 (“**the Act**”) read together with Clause 12(3) of the Constitution of the Company and subject to passing Ordinary Resolution 13 – Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares in the Company ranking equally to the existing issued shares in the Company arising from any issuance of new shares in the Company to the allottees.

AND THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine.”

9. **ORDINARY RESOLUTION** **Ordinary Resolution 13**
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (Please refer to Explanatory Note 6)

“THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 (“**the Act**”) and subject always to the Act, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“**New Shares**”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such New Shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being (“**Proposed General Mandate**”).

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting (“**AGM**”) of the Company held after the approval was given;
- b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

Notice of Annual General Meeting

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

10. ORDINARY RESOLUTION

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 14
(Please refer to Explanatory Note 7)

“THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**ACE Listing Requirements**”), the Company and its subsidiaries (“**the Group**”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party(ies) as set out in Section 2.5 of the Circular to Shareholders dated 28 April 2023 provided that such transactions and/or arrangements are:

- (a) necessary for the day-to-day operations for the Group;
- (b) undertaken in the ordinary course of business at arm’s length basis and on normal commercial terms and transaction price which are not more favourable to the related party(ies) than those generally available to the public; and
- (c) not detrimental to the minority shareholders of the Company,

(collectively known as the “**Shareholders' Mandate**”).

THAT authority conferred by this Shareholders' Mandate shall commence upon passing of this resolution and continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which this Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate.”



Notice of Annual General Meeting

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

TAN BEE HWEE (SSM PC NO. 202008001497) (MAICSA 7021024)

LIM YOU JING (SSM PC NO. 202108000369) (MAICSA 7075638)

Company Secretaries

Kuala Lumpur

28 April 2023

NOTES:-

1. IMPORTANT NOTICE FOR VIRTUAL MEETING

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016**, which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 1st AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the 1st AGM using the Remote Participation and Voting (“**RPV**”) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tiah.online>.

Please read these Notes carefully and follow the procedures set out in the Administrative Guide for the 1st AGM in order to participate remotely via RPV facilities.

2. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 2 June 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (b) A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- (d) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (e) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

Notice of Annual General Meeting

- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (g) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (h) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
- (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- (ii) Online
In the case of an appointment made via online lodgement facility, please login to the link website at <https://tjih.online> and select “e-Services” to login. Please refer to the Administrative Guide on how to register to TIH Online and submit your Form of Proxy electronically.
- (i) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (j) Last date and time for lodging this proxy form is on **Wednesday, 7 June 2023 at 10.00 a.m.**
- (k) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Unit 30-01, Level 30, Tower A, The Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (l) A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.



Notice of Annual General Meeting

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. **Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2022**

The Audited Financial Statements is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“the Act”) does not require a formal approval from the shareholders. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

2. **Ordinary Resolutions 1 to 4 – Payment of Directors’ Fees and Benefits**

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

On 19 April 2023, the Nominating and Remuneration Committee had reviewed the Directors’ fees and benefits for the Independent Non-Executive Directors for the following period, taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors.

The payment of the Directors’ fees and benefits from 15 March 2022 (date of appointment) until 31 December 2022 will only be made if the relevant proposed Ordinary Resolutions 1 and 3 are passed at the 1st AGM.

The proposed Ordinary Resolution 2, if passed, will give authority to the Company to pay the Directors’ fees from 1 January 2023 until the next Annual General Meeting (“AGM”) of the Company to be held in 2024 as and when their services are rendered.

The proposed Ordinary Resolution 4 is to facilitate the payment of Directors’ benefits for the period from 1 January 2023 until the next AGM of the Company to be held in 2024.

The proposed structure of the Directors’ benefits from 15 March 2022 (date of appointment) until 31 December 2022 and for the period from 1 January 2023 until the next AGM of the Company to be held in 2024 are as follows:

Type of Benefits	Description	Amount
Meeting Attendance Allowance		
Board Committees and Board Meeting Allowances	Chairman of the Board	RM2,000.00 per meeting
	Members of the Board	RM1,500.00 per meeting

Payment of the Directors’ benefits will be made by the Company to the respective Directors as and when incurred if the proposed Ordinary Resolutions 3 and 4 are passed by the shareholders at the 1st AGM.

In the event the Directors’ fees and benefits proposed are insufficient, approval will be sought at the next AGM for additional fees to meet the shortfall.

3. **Ordinary Resolutions 5 to 11 – Re-election of Directors who retire in accordance with Clause 77(2) and (5) of the Constitution of the Company**

The following Directors are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 1st AGM:

- (a) YHM Tengku Dato’ Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah;
- (b) Mr Mo Guopiao;
- (c) Madam Saranjit Wang;
- (d) Mr Kua Chin Teck;
- (e) Mr Tang Yuen Kin;
- (f) Puan Fazidah Bt Zakaria; and
- (g) Ms Yang Shing Sing.

Notice of Annual General Meeting

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance 2021 (“MCCG”), the profiles of the aforementioned Directors are set out in the Directors’ profile on pages 12 to 22 of the Annual Report 2022. For the purpose of determining the eligibility of the Directors to stand for re-election at the 1st AGM, the Board has, through the NRC, considered the assessment on the fit and proper of the retiring Directors and agreed that they meet the criteria as prescribed by Rule 2.20A of the ACE Market Listing Requirements (“ACE Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. Based on the recommendation of NRC, the Board supports the re-election of the abovementioned Directors with the following justifications:

Ordinary Resolution 5: Re-election of YHM Tengku Dato’ Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah as Independent Non-Executive Chairman

YHM Tengku Dato’ Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah fulfils the requirements of independence as set out in Guidance Note 9 of the Listing Requirements. He remains objective and independent in expressing his view and participating in Board deliberations and decision-making.

His well-rounded business experience is able to provide guidance and insights to the Board in decision-making.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Chairman of the Company.

Ordinary Resolution 6: Re-election of Mr Mo Guopiao as Chief Executive Officer and Executive Director

Mr Mo Guopiao has over 12 years of experience in business management and investment field. With his exceptional business experience, expertise and business networks garnered over the years, Mr Mo spearheads the Group’s e-commerce and online sales initiatives and monitored trends in the distribution of consumer-packaged foods to grow the presence of the Group’s brands. He has guided the Company to strategically expand the Group’s product offerings and strengthening the Group’s revenue sources.

Ordinary Resolution 7: Re-election of Madam Saranjit Wang as Executive Director

With 20 years of experience in the consumer-packaged goods industry, Madam Saranjit Wang’s experience allows her to oversee the Group’s overall management effectively and enhance the business growth direction in Thailand. She has the competency to provide effective guidance and direction to the Group’s in making decision.

Ordinary Resolution 8: Re-election of Mr Kua Chin Teck as Executive Director

Mr Kua Chin Teck has more than 18 years of experience in the areas of audit, financial reporting, corporate finance and corporate development. His vast experience enables him to make competent and effective corporate strategy and corporate development of the Group.

Ordinary Resolution 9: Re-election of Mr Tang Yuen Kin as Independent Non-Executive Director

Mr Tang Yuen Kin fulfills the requirements of independence as set out in Guidance Note 9 of the Listing Requirements. He remains objective and independent in expressing his view and participating in Board deliberations and decision-making.

He possesses more than 23 years of experience in the areas of audit, accounting and finance, corporate finance and corporate planning. His enormous knowledge and experience allow him to provide a diverse set of proficiency and views to the Board.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

Ordinary Resolution 10: Re-election of Puan Fazidah Bt Zakaria as Independent Non-Executive Director

Puan Fazidah fulfills the requirements of independence as set out in Guidance Note 9 of the Listing Requirements. She remains objective and independent in expressing her view and participating in Board deliberations and decision-making.



Notice of Annual General Meeting

With over 27 years of experience in capital market, corporate finance, Islamic banking, corporate strategy, project management, strategic planning and communications, Puan Fazidah is able to provide valuable advice and support to the Board in decision-making with her expertise and diverse perspective.

She has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

Ordinary Resolution 11: Re-election of Ms Yang Shing Sing as Independent Non-Executive Director

Ms Yang Shing Sing fulfills the requirements of independence as set out in Guidance Note 9 of the Listing Requirements. She remains objective and independent in expressing her view and participating in Board deliberations and decision-making.

She has approximately 10 years of experience in the field of business consultation and management services on the ISO standards, which could provide useful deliberation and effective insights to the Board in making decisions effectively.

She has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

Based on the above, the Board collectively agreed and recommended the said Directors be re-elected as Directors of the Company at the 1st AGM. The Board was also satisfied with the fit and proper assessment completed by the retiring Directors.

4. **Ordinary Resolution 12 – Re-appointment of Auditors**

The Audit Committee (“AC”) had at its meeting held on 19 April 2023 assessed the suitability and independence of the External Auditors and recommended the re-appointment of BDO PLT as External Auditors of the Company for the financial year ending 31 December 2023.

The Board has reviewed the recommendation of the AC and recommended the same to be tabled to the shareholders for approval at the 1st AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESS

5. **Special Resolution – Waiver of Pre-emptive Rights**

The Special Resolution is pertaining to the waiver of pre-emptive rights pursuant to Section 85 of the Act. By voting in favour of the Special Resolution, the shareholders of the Company would be waiving their statutory pre-emptive rights. The Special Resolution, if passed, would allow the Directors to issue new shares to any person without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

6. **Ordinary Resolution 13 - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act**

Subject to the passing of the Special Resolution on waiver of pre-emptive rights pursuant to Section 85 of the Act, the proposed Ordinary Resolution 13, if passed, would empower the Directors of the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of the issued shares of the Company for the time being (“**Proposed General Mandate**”).

The authority for the Proposed General Mandate will, unless revoked by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The proposed resolution is to seek a new mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene a separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time.



Notice of Annual General Meeting

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

7. **Ordinary Resolution 14 - Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 14, if passed, will allow the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of Related Party(ies), which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 28 April 2023 for further information.

Statement Accompanying Notice of 1st Annual General Meeting

(pursuant to Rule 8.29 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

[Ordinary Resolution 5 to 11]

The Directors who retire in accordance with Clause 77(2) and (5) of the Constitution of the Company and being eligible to offer themselves for re-election at the 1st AGM are:

- (a) YHM Tengku Dato' Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah;
- (b) Mr Mo Guopiao;
- (c) Madam Saranjit Wang;
- (d) Mr Kua Chin Teck;
- (e) Mr Tang Yuen Kin;
- (f) Puan Fazidah Bt Zakaria; and
- (g) Ms Yang Shing Sing.

(collectively known as “Retiring Directors”)

The profile of the Retiring Directors who are standing for re-election as per Agenda item 6 of the Notice of 1st AGM are as follows:

A. YHM Tengku Dato' Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah (Independent Non-Executive Chairman)

Nationality	: Malaysian
Age	: 38
Gender	: Male
Date of Appointment	: 15 March 2022
Length of Tenure (as at 31 December 2022)	: 9 months

QUALIFICATION AND EXPERIENCE HIGHLIGHTS

- Bachelor of Business (Accounting) degree, Swinburne University of Technology, Melbourne, Australia
- Non-Executive Director, Eduspec Holdings Berhad (2014 – 2017)
- Non-Executive Chairman, Wellspire (2022 – present)
- Has a background in strategic planning, specialising in health-related, e-commerce and information technology businesses

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS (OTHER THAN WELLSPIRE HOLDINGS BERHAD)

- Central Global Berhad
- Bookdoc Holdings Berhad

NUMBER OF SHARES HELD IN THE COMPANY

- 700,00 Ordinary Shares (direct interest)

He has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with exercise of his judgement in the Company. He acts in the best interest of the Company.

The Board hereby recommends the re-election of YHM Tengku Dato' Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah as the Independent Non-Executive Chairman of the Company for the shareholders' approval.

Statement Accompanying Notice of 1st Annual General Meeting

(pursuant to Rule 8.29 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

B. Mr Mo Guopiao
(Chief Executive Officer and Executive Director)

Nationality : Singaporean
Age : 42
Gender : Male
Date of Appointment : 6 August 2021
Length of Tenure (as at 31 December 2022) : 1 year and 4 months

QUALIFICATION AND EXPERIENCE HIGHLIGHTS

- Bachelor of Science (major in Applied Chemistry – Modern Merchandise Testing Technology, Urban Environmental Testing) degree, Shantou University, China
- Marketing Management Programme, NUS Business School, Singapore
- Master of Science in Technopreneurship & Innovation, Nanyang Technological University, Singapore
- Chief Executive Officer and Executive Director, Wellspire (2021 – present)
- Has more than 12 years of experience in business management and investment field
- Involves in the operations of Wellspire Group by providing strategic, financial and operational leadership to Wellspire Group
- Providing strategic input on major corporate decision-making matters, including, but not limited to, potential mergers and acquisitions, or joint venture partnerships
- Providing oversight and management on the overall operational and finance and performance of Wellspire Group

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS (OTHER THAN WELLSPIRE HOLDINGS BERHAD)

- Nil

NUMBER OF SHARES HELD IN THE COMPANY

- 200,562,500 Ordinary Shares (direct interest)
- 121,250,000 Ordinary Shares (indirect interest by virtue of his shareholdings in Silver Line Capital Sdn Bhd)

He has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with exercise of his judgement in the Company. He acts in the best interest of the Company.

The Board hereby recommends the re-election of Mr Mo Guopiao as the Chief Executive Officer and Executive Director of the Company for the shareholders' approval.

C. Madam Saranjit Wang
(Executive Director)

Nationality : Thailand
Age : 43
Gender : Female
Date of Appointment : 1 March 2022
Length of Tenure (as at 31 December 2022) : 10 months

QUALIFICATION AND EXPERIENCE HIGHLIGHTS

- Secondary education at Bangkok Non-Formal Education Center 4, Thailand
- Higher Vocational Certificate (major in Accounting) from the Inter Asia Technologies College, Thailand
- Started her career as an entrepreneur where she was involved in food service by selling food seasoning and food paste to the local restaurants, retail business of fashion garments and local trading of dried fruits and dried fish businesses in March 2001
- Has approximately 20 years of experience in the consumer-packaged goods industry
- Founder and Managing Director, Bai Li Enterprise (2017 – present)
- Executive Director, Wellspire (2022 – present)



Statement Accompanying Notice of 1st Annual General Meeting

(pursuant to Rule 8.29 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS (OTHER THAN WELLSPIRE HOLDINGS BERHAD)

- Nil

NUMBER OF SHARES HELD IN THE COMPANY

- 5,750,000 Ordinary Shares (direct interest)
- 1,000,000 Ordinary Shares (indirect interest through the subscription of shares by her spouse, Mr Wang Zheng, the Group's Chief Operation Officer)

She has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with exercise of her judgement in the Company. She acts in the best interest of the Company.

The Board hereby recommends the re-election of Madam Saranjit Wang as Executive Director of the Company for the shareholders' approval.

D. Mr Kua Chin Teck

(Executive Director)

Nationality	: Malaysian
Age	: 41
Gender	: Male
Date of Appointment	: 1 March 2022
Length of Tenure (as at 31 December 2022)	: 10 months

QUALIFICATION AND EXPERIENCE HIGHLIGHTS

- Bachelor of Business (Accountancy) degree, RMIT University, Australia
- Audit Associate, Ernst & Young (2004 – 2006)
- Audit Assistant, Deloitte & Touche (2006 – 2008)
- Finance Manager, Otto Marine Limited (2008 – 2012)
- Regional Finance Manager, Swiber Corporate Services Pte Ltd. (2012 – 2015)
- Associate Director, Corporate Finance, Swiber Corporate Services Pte Ltd. (2015 – 2016)
- Director of Treasury & Corporate Development Department, Vallianz Corporate Services Pte. Ltd. (2016 – 2019)
- Group Corporate Services Director, Widad Business Group Sdn Bhd (2019 – 2021)
- Head of Corporate, Wellspire (October 2021 – March 2022)
- Executive Director, Wellspire (2022 – present)
- Has more than 18 years of experience in the areas of audit, financial reporting, corporate finance and corporate development

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS (OTHER THAN WELLSPIRE HOLDINGS BERHAD)

- Nil

NUMBER OF SHARES HELD IN THE COMPANY

- 700,000 Ordinary Shares (direct interest)

He has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with exercise of his judgement in the Company. He acts in the best interest of the Company.

The Board hereby recommends the re-election of Mr Kua Chin Teck as Executive Director of the Company for the shareholders' approval.

Statement Accompanying Notice of 1st Annual General Meeting

(pursuant to Rule 8.29 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

E. Mr Tang Yuen Kin
(Independent Non-Executive Director)

Nationality : Malaysian
Age : 52
Gender : Male
Date of Appointment : 15 March 2022
Length of Tenure (as at 31 December 2022) : 9 months

QUALIFICATION AND EXPERIENCE HIGHLIGHTS

- Bachelor of Accounting (First Class Honours) degree, University of Malaya, Malaysia
- Master of Business Administration (Banking & Finance), Nanyang Technological University, Singapore
- Master of Law Executive (Business Law), International Islamic University Malaysia, Malaysia
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants
- Audit Assistant, Price Waterhouse (now known as PricewaterhouseCoopers PLT) (1995 – 1997)
- Executive Officer in the Securities Issues Department, Securities Commission (1997 – 2004)
- Principal Consultant, KPMG Corporate Services Sdn Bhd (2004 – 2005)
- Director, Corporate Finance, KPMG Corporate Advisory Sdn Bhd (2005 – 2008)
- Executive Director, MainStreet Advisers Sdn Bhd
- Associate Director in Corporate Finance Department, AmlInvestment Bank Berhad (2010 – 2012)
- Vice President in its Capital Market – Origination Department, Alliance Investment Bank Berhad (2012 – 2013)
- Vice President, Head in the Capital Market – Equity Execution Department, Alliance Investment Bank Berhad (2013)
- Senior Vice President, Head in the Capital Market – Equity Execution Department, Alliance Investment Bank Berhad (2013)
- Possesses more than 23 years of experience in the areas of audit, accounting and finance, corporate finance and corporate planning

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS (OTHER THAN WELLSPIRE HOLDINGS BERHAD)

- Powerwell Holdings Berhad
- Sasbadi Holdings Berhad
- Dancomech Holdings Berhad Group

NUMBER OF SHARES HELD IN THE COMPANY

- 100,000 Ordinary Shares (direct interest)

He has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with exercise of his judgement in the Company. He acts in the best interest of the Company.

The Board hereby recommends the re-election of Mr Tang Yuen Kin as Independent Non-Executive Director of the Company for the shareholders' approval.

F. Puan Fazidah Bt Zakaria
(Independent Non-Executive Director)

Nationality : Malaysian
Age : 55
Gender : Female
Date of Appointment : 15 March 2022
Length of Tenure (as at 31 December 2022) : 9 months



Statement Accompanying Notice of 1st Annual General Meeting

(pursuant to Rule 8.29 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

QUALIFICATION AND EXPERIENCE HIGHLIGHTS

- Bachelor of Arts in Accounting and Financial Management degree, the University of Essex, United Kingdom
- Assistant Director of Unit Pengurusan Kewangan, Ministry of Finance (1991 – 1993)
- Corporate Affairs, Chairman's Office in the Issues & Investment Division, Securities Commission
- Senior Manager/ Acting Head of the Department, Kuwait Finance House (Malaysia) Berhad
- Head of Corporate Affairs Department, Aliran Ihsan Resources Berhad
- Senior Manager, MMC Corporation Berhad (the holding company of Aliran Ihsan Resources Berhad)
- Head, Corporate Strategy & Risk of Proton Parts Centre Sdn Bhd (2015 – 2016)
- Head of Corporate & Strategy Department, CCM Chemicals Sdn Bhd (2016 – 2021)
- Senior Manager of Corporate Communications, Kuala Lumpur Kepong Berhad (2021 – 2022)
- Has over 27 years of experience in capital market, corporate finance, Islamic banking, corporate strategy, project management, strategic planning and communications

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS (OTHER THAN WELLSPIRE HOLDINGS BERHAD)

- Nil

NUMBER OF SHARES HELD IN THE COMPANY

- 480,000 Ordinary Shares (direct interest)

She has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with exercise of her judgement in the Company. She acts in the best interest of the Company.

The Board hereby recommends the re-election of Puan Fazidah Bt Zakaria as the Independent Non-Executive Director of the Company for the shareholders' approval.

G. Ms Yang Shing Sing

(Independent Non-Executive Director)

Nationality	: Malaysian
Age	: 35
Gender	: Female
Date of Appointment	: 15 March 2022
Length of Tenure (as at 31 December 2022)	: 9 months

QUALIFICATION AND EXPERIENCE HIGHLIGHTS

- Diploma in Business Administration from Southern College, Malaysia
- Certified internal auditor for the ISO 9001:2008
- Lead auditor for the ISO 9001:2015
- Internal auditor for the ISO 14001:2015
- General Manager, Loyal Reliance Sdn. Bhd. (2013 – 2016)
- Business Development Director, WBU International Sdn. Bhd.
- COO, IBC Assets Sdn. Bhd. (now known as IBC Assets Berhad)
- COO, International Business Capital Sdn Bhd (the holding company of IBC Assets Sdn Bhd)
- Executive Director, Newman Trust Investment Bank Ltd.
- Has approximately 10 years of experience in the field of business consultation and management services on the ISO standards

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ISSUERS (OTHER THAN WELLSPIRE HOLDINGS BERHAD)

- Nil

NUMBER OF SHARES HELD IN THE COMPANY

- 700,000 Ordinary Shares (direct interest)



Statement Accompanying Notice of 1st Annual General Meeting

(pursuant to Rule 8.29 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

She has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with exercise of his judgement in the Company. She acts in the best interest of the Company.

The Board hereby recommends the re-election of Ms Yang Shing Sing as the Independent Non-Executive Director of the Company for the shareholders' approval.

Proxy Form

CDS Account no.
No. of shares held

*I/We _____ [Full name in block, NRIC/Passport/Company No.] Tel. _____

of _____

being member(s) of **Wellspire Holdings Berhad**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the 1st Annual General Meeting (“1st AGM”) of the Company to be held at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on **9 June 2023, Friday at 10.00 a.m.** or any adjournment thereof, and to vote as indicated below:

Item	Agenda	Ordinary Resolution (“OR”)/Special Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial period from 6 August 2021 (date of incorporation) to 31 December 2022 together with the Reports of the Directors and Auditors thereon			
2.	Approval of the payment of Directors’ fees of up to RM150,000 for the period from 15 March 2022 (date of appointment) until 31 December 2022	OR 1		
3.	Approval of the payment of Directors’ fees of up to RM300,000 for the period from 1 January 2023 until the next Annual General Meeting of the Company to be held in 2024	OR 2		
4.	Approval of payment of Directors’ benefits of up to RM19,500 for the period from 15 March 2022 (date of appointment) until 31 December 2022	OR 3		
5.	Approval of payment of Directors’ benefits of up to RM100,000 for the period from 1 January 2023 until the next Annual General Meeting to be held in 2024	OR 4		
6.	(a) To re-elect YHM Tengku Dato’ Indera Abu Bakar Ahmad Bin Almarhum Tengku Tan Sri Abdullah as Director	OR 5		
	(b) To re-elect Mr Mo Guopiao as Director	OR 6		
	(c) To re-elect Madam Saranjit Wang as Director	OR 7		
	(d) To re-elect Mr Kua Chin Teck as Director	OR 8		
	(e) To re-elect Mr Tang Yuen Kin as Director	OR 9		
	(f) To re-elect Puan Fazidah Bt Zakaria as Director	OR 10		
	(g) To re-elect Ms Yang Shing Sing as Director	OR 11		
6.	Re-appointment of Messrs BDO PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration	OR 12		
Special Business				
7.	Waiver of Pre-Emptive Rights pursuant to Section 85 of the Companies Act 2016	Special Resolution		
8.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016	OR 13		
9.	Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	OR 14		

Please indicate with an “X” in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____ 2023

Signature*
Member

* Manner of execution:

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:-

1. IMPORTANT NOTICE FOR VIRTUAL MEETING

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016**, which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 1st AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 1st AGM using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tiah.online>.

Please read these Notes carefully and follow the procedures set out in the Administrative Guide for the 1st AGM in order to participate remotely via RPV facilities.

2. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 2 June 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (b) A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- (d) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (e) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (g) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(h) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) Online

In the case of an appointment made via online lodgement facility, please login to the link website at <https://tiah.online> and select "e-Services" to login. Please refer to the Administrative Guide on how to register to TIH Online and submit your Form of Proxy electronically.

- (j) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (k) Last date and time for lodging this proxy form is on **Wednesday, 7 June 2023 at 10.00 a.m.**
- (l) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Unit 30-01, Level 30, Tower A, The Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (m) A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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**AFFIX
STAMP**

The Share Registrar
WELLSPIRE HOLDINGS BERHAD
(Registration No. 202101026155 (1426455-A))

c/o Tricor Investor & Issuing House Services Sdn. Bhd.
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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WELLSPIRE HOLDINGS BERHAD

Registration No. 202101026155 (1426455-A)

Lot D/E, Level 12, Tower 1, Etiqa Twins 11, Jalan Pinang,
50450 Kuala Lumpur, Malaysia.

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