



INNOVATING TO DELIVER VALUES

ANNUAL REPORT 2023



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* Proxy Form

 **SCAN ME**



The digital version of Wellspire Holdings Berhad Annual Report 2024 is available from our website. Go to www.wellspireholdings.com or scan the QR code with your device.

CORPORATE OVERVIEW

“ Aim to be the leading consumer packaged foods company in the region.



Bai Li Enterprise Co., Ltd

Bai Li Enterprise was incorporated in January 2007, focusing on distribution of consumer packaged foods.



Keymall Retail Co., Ltd

Keymall Retail is an online retailer of consumer packaged foods which was incorporated in May 2020.

Wellspire Holdings Berhad was incorporated as an investment holding company in Malaysia on 6 August 2021. Our Group's principal activities include the distribution and online retailer of consumer packaged foods, trading of food products and biomass fuel products. We possess more than 15 years of experience in the consumer packaged foods industry.

Our active subsidiaries within the Wellspire Group are Bai Li Enterprise Co., Ltd (“Bai Li Enterprise”) and Keymall Retail Co., Ltd (“Keymall Retail”). Both subsidiaries are operating in Thailand. Additionally, we have Wellspire Global Trading Sdn Bhd (“Wellspire Global Trading”), our esteemed subsidiary operating in Malaysia.

Our distribution centre is located in the province of Pathum Thani, Thailand. There are two (2) buildings with a combined built-up area of more than 4,000 square metres, which consist of dry storage facilities & chiller room to store our products. Our distribution centre has a professional logistics team to serve the Group's customers throughout Thailand's Central, Northeast, Northern, and Southern regions.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- ▶ **Yang Hormat Mulia (“YHM”) Tengku Dato’ Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah**
Independent Non-Executive Chairman
- ▶ **Mo Guopiao**
Executive Director/Chief Executive Officer
- ▶ **Saranjit Wang**
Executive Director
- ▶ **Kua Chin Teck**
Executive Director
- ▶ **Tang Yuen Kin**
Independent Non-Executive Director
- ▶ **Fazidah Bt Zakaria**
Independent Non-Executive Director
- ▶ **Yang Shing Sing**
Independent Non-Executive Director



AUDIT COMMITTEE

Tang Yuen Kin (*Chairman*)
Fazidah Bt Zakaria (*Member*)
Yang Shing Sing (*Member*)

RISK MANAGEMENT COMMITTEE

Fazidah Bt Zakaria (*Chairperson*)
Tang Yuen Kin (*Member*)
Yang Shing Sing (*Member*)

NOMINATING AND REMUNERATION COMMITTEE

Yang Shing Sing (*Chairperson*)
Fazidah Bt Zakaria (*Member*)
Tang Yuen Kin (*Member*)

COMPANY SECRETARIES

Tan Bee Hwee
(MAICSA 7021024)
(SSM PC No. 202008001497)

Lim You Jing
(MAICSA 7075638)
(SSM PC No. 202108000369)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : +603-2783 9191
Fax No. : +603 2783 9111

HEAD OFFICE

Lot D/E, Level 12, Tower 1, Etiqa Twins 11,
Jalan Pinang, 50450 Kuala Lumpur
Tel No. : +603-9779 7066

AUDITORS

BDO PLT
Firm No.: 201906000013
(LLP0018825-LCA) & AF 0206
Level 8, BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel No. : +603-2616 2888

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : +603-2783 9299
Fax No. : +603-2783 9222

STOCK EXCHANGE LISTING

ACE Market of the Bursa Malaysia Securities Berhad
Stock Name: WELLS
Stock Code: 0271

WEBSITE

www.wellspireholdings.com

INVESTORS RELATIONS

Email : ir@wellspireholdings.com
Tel No. : +603-9779 7066

SPONSOR

TA Securities Holdings Berhad
(Registration No. 197301001467 (14948-M))
29th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel No. : +603-2072 1277

CORPORATE STRUCTURE



GROUP CORPORATE PROFILE



Our Company was incorporated under the name of Wellspire Holdings Sdn Bhd in Malaysia on 6 August 2021 under the Companies Act 2016 as a private limited company. Subsequently on 25 March 2022, our Company was converted to a public limited company. On 16 January 2023, our Company was listed on the ACE Market of Bursa Malaysia Securities Berhad.

We are principally an investment holding company. As at the financial year end, we have five subsidiaries, namely Vine Growth Holdings, Bai Li Holdings, Bai Li Enterprise, Keymall Retail and Wellspire Global Trading. Our subsidiaries are mainly involved in the following:

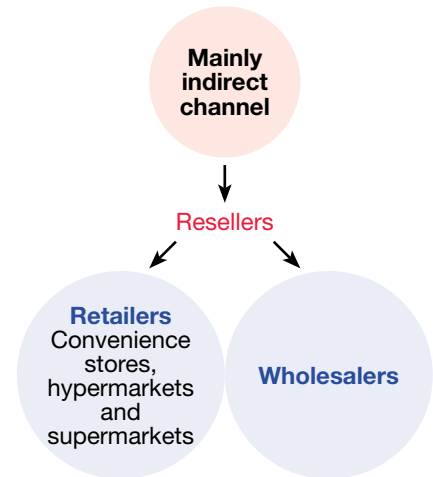


BUSINESS MODEL

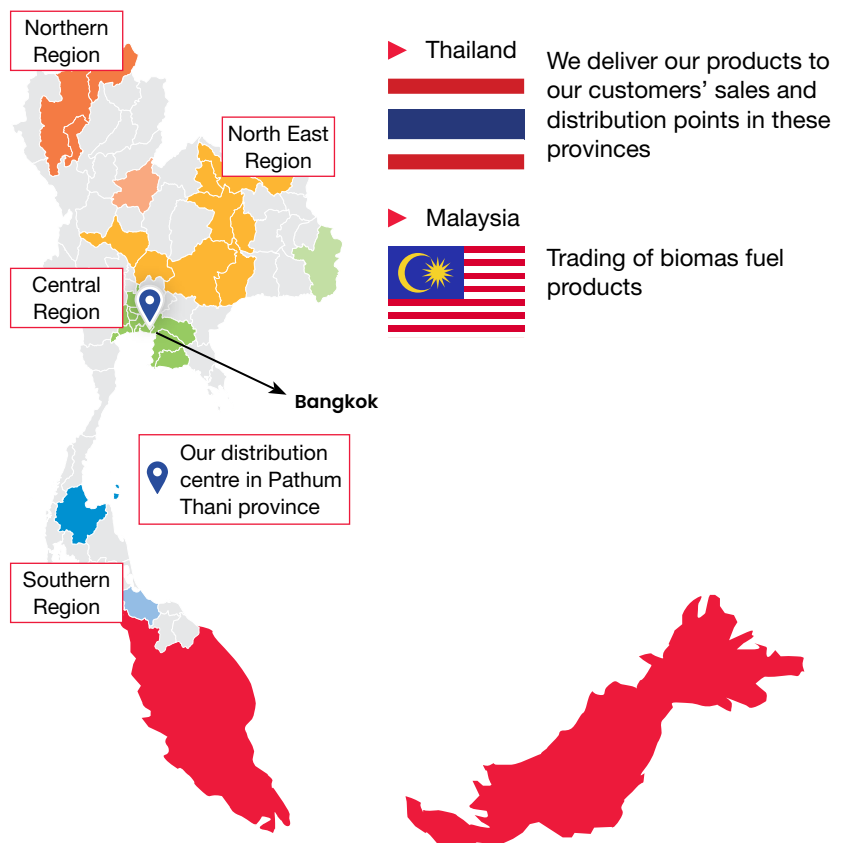
Business activity and revenue stream



Distribution channel and customer base



Principal market



KEY CORPORATE MILESTONES

- Bai Li Enterprise was incorporated by Saranjit Wang, and commenced operations in Ang Thong province as an exporter of snack food products. Snack food products were sourced from Thailand to China namely Jilin, Heilongjiang, Fujian and Beijing provinces.
- We commenced importing green bean snacks from Suzhou in Jiangsu province in China for sales in Thailand, which were sold to convenience stores. Since 2012, we have discontinued this business activity as the sales for the green bean snacks were not encouraging.

2007

2010

- In August 2018, we relocated and expanded our operations to a distribution centre in the district of Thanyaburi in Pathum Thani province.
- We commenced distribution of our Pee Ree brand of snack food products namely watermelon seeds and sunflower kernels which were imported from China. Since 2020, we have discontinued distribution of sunflower kernels due to low demand.

2018

2017

- We commenced distribution of our King Kong brand of mixed nuts energy bar imported from China.
- We commenced distribution of third-party Cundo brand of layer cakes and our Miyu brand of chocolate snacks imported from China.
- Keymall Retail was incorporated and commenced operations as an online retailer of snack food products via our e-commerce platform namely www.keymall.me as well as third-party online platform such as Shopee and Facebook, Thailand.

2019

2020

KEY CORPORATE MILESTONES

- Bai Li Enterprise relocated its place of operation to MT City Khlong Luang, Pathum Thani province in Thailand.
- We commenced distribution of ChaCha brand sunflower seeds to retailers in Thailand.
- In January 2013, we were appointed by QiaQia as the exclusive distributor of ChaCha brand of sunflower seeds in Thailand.
- We commenced distribution of ChaCha brand sunflower seeds to major retailers in Thailand including 7-Eleven convenience store, Big C hypermarket and Tops supermarket.

2012

- We commenced sales of snack food products to Makro cash and carry stores, and FamilyMart convenience store.

2013

- Mo Guopiao and He Haibin joined Bai Li Enterprise as shareholders.
- We commenced sales of snack food products to a wholesaler that resells to traditional retailers.
- We commenced sales of ChaCha brand sunflower seeds to Lotus's hypermarket (formerly known as Tesco Lotus).

2016

- Incorporation of Wellspire Holdings to embark on the Listing on the ACE Market.

2015

2014

2021

2023

Wellspire Holdings Berhad debuted on the ACE Market of the Bursa Malaysia Securities Berhad on 16 January 2023.

BURSA
MALAYSIA

We incorporated Wellspire Global Trading and commenced trading of food products and biomass fuel products in Malaysia.

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

YEAR ENDED
31 DECEMBER

2019 2020 2021 2022 2023

OPERATING RESULTS

Revenue	RM'000	58,799	119,706	136,707	123,367	124,880
Gross Profit ("GP")	RM'000	10,162	36,706	38,172	25,955	24,910
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	RM'000	7,249	23,686	20,867	7,814	7,776
Profit Before Taxation ("PBT")	RM'000	5,722	21,978	19,101	5,902	7,441
Profit After Taxation ("PAT")	RM'000	4,155	15,759	15,403	2,955	4,454

KEY FINANCIAL POSITION DATA

Total Assets	RM'000	21,070	35,000	32,893	40,625	71,318
Total Equity	RM'000	4,230	19,597	14,471	27,710	60,847
Total Liabilities	RM'000	16,840	15,403	18,422	12,915	10,471

FINANCIAL RATIOS

GP Margin	%	17.28	30.66	27.92	21.04	19.95
PBT Margin	%	9.73	18.36	13.97	4.78	5.96
PAT Margin	%	7.07	13.16	11.27	2.40	3.57
Basic/Diluted Earnings Per Share ("EPS")	sen	0.44*	1.66*	1.56*	0.19*	0.37#

* EPS is based on the enlarged issued shares of the Company upon completion of the Listing.

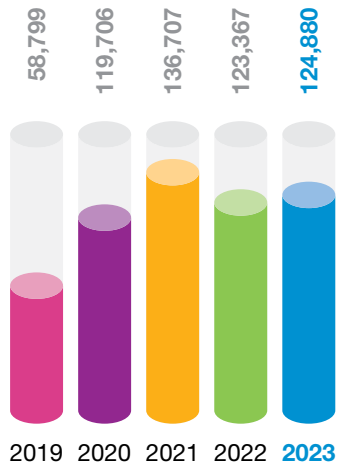
EPS is based on weighted average number of ordinary shares in issue.

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

REVENUE (RM'000)



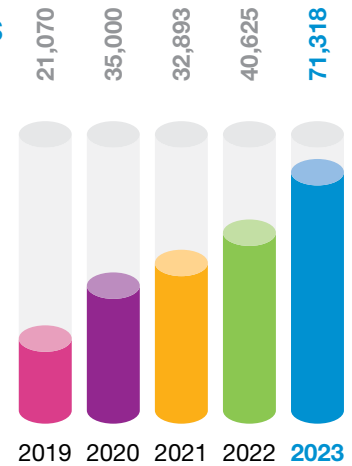
124,880



TOTAL ASSETS (RM'000)



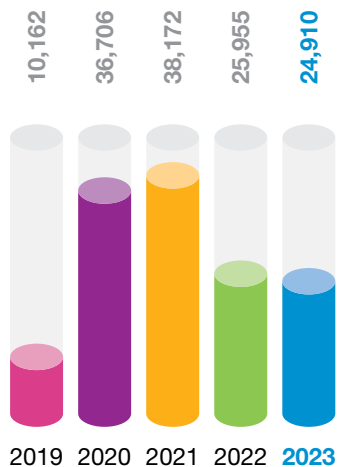
71,318



GP (RM'000)



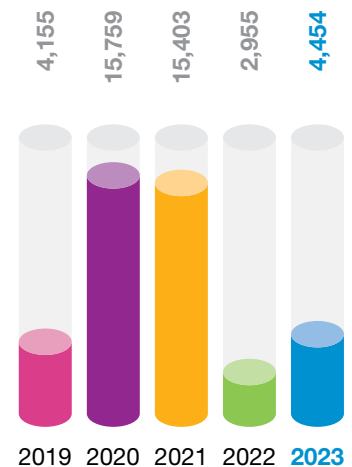
24,910



PAT (RM'000)



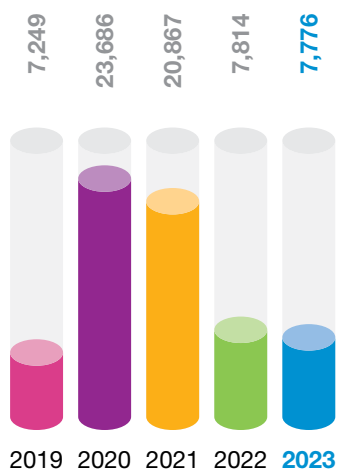
4,454



EBITDA (RM'000)



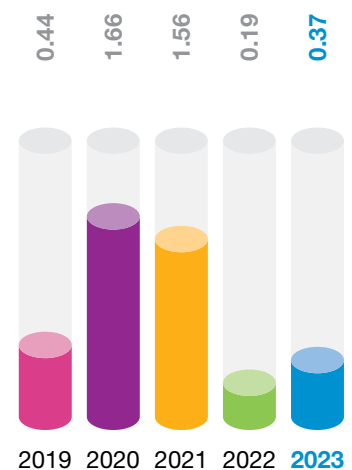
7,776



BASIC/ DILUTED EPS (sen)



0.37



IN THE NEWS

BUSINESS TIMES Local "Kiss Me" candy maker to start selling in Thailand

By NET Business - August 23, 2023 @ 8:40pm



Khe San Food Industries is a unit of Main market-listed Khe San Bhd, while Wellspire Global is a unit of ACE market-listed Wellspire Holdings Bhd.

The agreement is valid from August 23, 2023 to August 22, 2026 for a period of three years.

According to Statista, the revenue value of Thailand's snack food market has exceeded US\$1 billion in 2023, and is projected to witness a CAGR of 7.16 per cent during the period of 2023-2028, growing from US\$1.07 billion in 2023, to over US\$1.54 billion by 2028.

Khe San currently exports to over 20 countries, with major destinations: Hong Kong, Vietnam, Japan, South Africa and other Asia Pacific countries.

Wellspire in a separate announcement said the agreement is part of its strategy to draw on Wellspire's group's strength in distributing consumer packaged foods and its objectives to diversify its portfolio as well as broaden Wellspire group's revenue stream.

KUALA LUMPUR: Kiss Me brand candymaker Khe San Food Industries Sdn Bhd has signed a strategic cooperation agreement with Wellspire Global Trading, a distributor of consumer packaged foods company, to distribute and sell its Fruit Plus and Kiss Me candies in Thailand.

Sinar Wellspire jadi pengedar eksklusif produk Condo Food

OLEH NURULHANA ATHENA HASSALI - 14 Julai 2023 11:41am



ANAK syarikat milik penuh Wellspire Holdings Berhad (Wellspire) di Malaysia secara rasmi menjadi pengedar eksklusif produk Condo Food Co Ltd's (Condo) melibatkan tiga negara iaitu Malaysia, Singapura dan Thailand.

Ketua Pegawai Eksekutif Wellspire, Mo Guopiao berkata, menerusi perjanjian baharu, Wellspire akan memiliki hak pengedaran eksklusif untuk mengedar produk kek berais coklat berperisa susu, strawberi dan raspberry serta coklat di rantau yang ditetapkan.

Menurutnya, ia sekali gus memberi hak pengedaran pertama Wellspire di luar Thailand selama tiga tahun bermula 13 Julai 2023 sehingga 12 Julai 2026.

"Pendapatan dalam segmen makanan ringan di Malaysia dan Singapura dijangka berjumlah kira-kira A\$3.4 bilion (RM15.86 bilion) dan A\$336.9 juta (RM1.57 bilion) masing-masing pada 2023 serta dijangka berkembang setiap tahun sebanyak 7.9 peratus termasuk 5.41 (CAGR 2023-2026).

"DPO International melaporkan di Malaysia sahaja, pasaran kuih-muih bernilai lebih daripada A\$55.5 bilion (RM24.9 bilion) pada 2021, dengan unjuran CAGR sebanyak 6.14 peratus sehingga 2025."

"Segmen itu dijangka menunjukkan pertumbuhan volum sebanyak 3.6 peratus pada 2022 dan berjumlah 1,364.7 metrik-kilogram (mkg) menjelang 2025," katanya dalam satu kenyataan pada Jumaat.

Jelas Guopiao, pasaran kuih-muih dan makanan ringan di Asia Tenggara diunjur berkembang sebanyak 18.47 peratus (2023-2027) menghasilkan volum pasaran lebih daripada A\$3 bilion (RM13.56 bilion) menjelang 2027.

Mengulas lebih lanjut, Guopiao berkata, di Thailand pasaran kuih-muih bernilai lebih daripada A\$5.8 bilion pada 2021 dengan unjuran CAGR sebanyak 4.03 peratus sehingga 2025 dan ia dijangka menunjukkan pertumbuhan volum sebanyak 3.8 peratus pada 2022 serta berjumlah 1,411.2 mkg menjelang 2025.

Sementara itu, Pengerusi Condo, Chen Hongjie berkata, permintaan terhadap makanan ringan yang sihat dan berkualiti di tiga negara itu semakin meningkat.

"Produk kami telah melalui penyediaan dan pembangunan yang meluas untuk memastikan kualiti dan rasa mereka memenuhi permintaan pengguna dan yakin penduduk tempatan akan menikmatinya.

"Selain itu, kami percaya rangkaian dan sambungan Wellspire dalam pasaran tempatan akan dapat memberikan hasil yang mantap dan tidak sabar untuk bekerjasama dengan Wellspire bagi memperkenalkan lebih banyak produk di tiga negara ini pada masa hadapan," ujarnya.

Kosmo! Wellspire perbaharui kontrak dengan QiaQia

Dari KOSMO - 23 Februari 2023, 1:14 pm

PETALING JAYA - Wellspire Holdings Berhad (Wellspire) melalui anak syarikat miliknya dengan keperluan 75.01 peratus, Bai Li Enterprise Co. Ltd. (Bai Li Enterprise) telah berjaya memperbaharui kontrak pengedarannya dengan QiaQia Food Co., Ltd (QiaQia), pengeluar biji dan kucel panggang serta makanan ringan yang dibakar di China.

Wellspire yang merupakan pengedar makanan dibungkus untuk pengguna dan penicik dalam talian makanan di Thailand telah terlibat dengan QiaQia untuk mengedarkan kuaci ChuiCha dan produk kacang secara eksklusif di Thailand sejak 2013.

Kontrak pengedaran yang diperbaharui, yang akan bermula dari 1 Julai 2022 hingga 30 Jun 2023 itu akan membolehkan Wellspire terus mengedarkan produk tersebut di Thailand.



Ketua Pegawai Eksekutif dan Pengerah Eksekutif Wellspire, Mo Guopiao berkata, pihaknya berbesar hati dengan kepercayaan dan keyakinan yang diberikan oleh QiaQia.

"Perbaharuan kontrak ini adalah bukti terhadap kepercayaan dan rangkaian pengedaran luas kami menerusi saluran edar tidak langsung yang dibentuk lebih sedekad di dalam industri makanan dibungkus untuk pengguna di Thailand.

"Kontrak ini juga akan mengukuhkan kedudukan kami sebagai pengedar barangan dibungkus untuk pengguna terkemuka di Thailand serta ia dijangka menyumbang secara positif kepada perolehan Kumpulan sepanjang tempoh kontrak," katanya dalam kenyataan yang dikeluarkan di sini semalam.

8:30

SCANNING...

Scan QR Code to view

BOARD OF DIRECTORS



First row (from left)

Mo Guopiao
Executive Director/
Chief Executive Officer

YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah
Independent Non-Executive Chairman

Kua Chin Teck
Executive Director

Second row (from left)

Saranjit Wang
Executive Director

Fazidah Bt Zakaria
Independent
Non-Executive Director

Yang Shing Sing
Independent
Non-Executive Director

Tang Yuen Kin
Independent
Non-Executive Director

DIRECTORS' PROFILE



YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah

Independent Non-Executive Chairman



YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah resides in Malaysia. He graduated with a Bachelor of Business (Accounting) degree from Swinburne University of Technology, Melbourne, Australia in December 2009.

Since 2010 up till today, he has been a director of various public and private companies. In December 2011, he was appointed as an Executive Chairman of Unitab Medic Sdn. Bhd. (currently known as FOMEMA Global Sdn. Bhd.), a company principally engaged in the supervision, monitoring and quality control of laboratories in the medical examination of foreign workers in Malaysia. He was also an Independent Non-Executive Director of Eduspec Holdings Berhad, a public company listed on the ACE Market from 2014 to 2017.

Throughout the years, he has a background in strategic planning, specializing in health-related, e-commerce and information technology businesses. He has been the Executive Chairman of FOMEMA Sdn. Bhd., which operates a foreign workers' medical examination screening system in Peninsular Malaysia since July 2016 where he oversees the operations of the company. He is also the Executive Director of Bookdoc Holdings Berhad, which operates a mobile application connecting patients with medical professionals since March 2019.

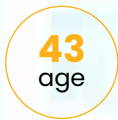
Throughout his career, he has accumulated experience in dealing with multinational companies while providing guidance and support in the companies where he is a member of the board of directors. Presently, he is a Non-Independent Executive Chairman of Datasonic Group Berhad, one of the prominent security-based ICT solutions providers in Malaysia with track record in mission-critical national projects such as identification and security documents, border control and digital payments. He is also an Independent Non-Executive Chairman of Wellspire Holdings Berhad, a company with principal activities include the distribution and online retailer of consumer-packaged foods to local and international market.

He is deeply committed to embracing the transformative power of digitalization in today's dynamic business landscape. His strategic vision centers around harnessing the opportunities presented by the digital realm, from e-commerce and online platforms to data analytics and emerging technologies. Fueled by a passion for staying at the forefront of industry trends, he is dedicated to spearheading initiatives that seamlessly integrate technology into business operations, ensuring sustainable growth and competitive advantage.

DIRECTORS' PROFILE

Mo Guopiao

Executive Director/Chief Executive Officer



Mo Guopiao is our Executive Director and Chief Executive Officer (“CEO”). He currently resides in Singapore. He was appointed as the director of Wellspire Holdings Berhad (“Wellspire”) upon its incorporation on 6 August 2021. He graduated with a Bachelor of Science (major in Applied Chemistry – Modern Merchandise Testing Technology, Urban Environmental Testing) degree from Shantou University, China in June 2004. He completed the Marketing Management Programme from NUS Business School, Singapore in November 2010. He then obtained his Master of Science in Technopreneurship & Innovation from Nanyang Technological University, Singapore in June 2018. He has more than 14 years of experience in business management and investment field.

In August 2004, he began his career in Shantou Yongtu Technology Co., Ltd., a company principally involved in website and software development as a sale representative responsible for telemarketing and maintaining clients’ relationships. He left in October 2006 and joined Shenzhen JuCheng Management Consulting Co., Ltd., a management consulting and advisory firm in China as Sales Manager in December 2006 responsible for leading the sales team to achieve the annual goal.

In December 2008, he left JuCheng Management Consulting Co., Ltd. and joined Golden Mango International Technology Co. Inc., a company principally involved in software development and information technology consultancy in Philippines

in February 2009 as Marketing Director responsible for design and implementation of comprehensive marketing strategies plan for the greater China area, overall marketing progress monitoring and preparation of performance reports. In March 2011, he left Golden Mango International Technology Inc. and joined Gosstech Pte. Ltd., a company principally involved in development of software and applications in April 2011. He was the Managing Director responsible for developing and executing the company’s strategies, and overseeing the company’s operation and financial performance. He was subsequently appointed to the board of directors of Gosstech Pte. Ltd. in May 2012 and resigned from the said board of directors in May 2021. He then left Gosstech Pte. Ltd. as Managing Director in September 2021.

In December 2017, he founded Good Partner Holdings Pte. Ltd., an investment holding company of shares and property where he was appointed as an Executive Director and also senior advisor to evaluate investment projects to be undertaken by Good Partner Holdings Pte., Ltd.. He resigned as an Executive Director and senior advisor of Good Partner Holdings Pte. Ltd. in May 2021. In October 2018, he was appointed as Executive Director of Esim Plus Pte. Ltd., a company principally involved in provision of voice over internal protocol services where he was in charge of the operations of the company. He resigned as an Executive Director of Esim Plus Pte. Ltd. in September 2021.

DIRECTORS' PROFILE

Mo Guopiao (Cont'd)

In April 2020, he was appointed as a special advisor of the Infinite Growth Income Fund, a sub-fund of Nech VCC, a Singapore variable capital company, which in turn is being managed by Nech Capital Pte. Ltd., a fund management company in Singapore where he provides strategic input and recommendations relating to investment strategy and potential targets. As of today, he is still the special advisor of Infinite Growth Income Fund, nevertheless, his time commitment as the special advisor is minimal and he will only provide advices based on the needs of the Infinite Growth Income Fund as and when required.

He became a substantial shareholder of Bai Li Enterprise since October 2015. Since then, he has been instrumental in the growth and development of our business operations, product offerings and revenue streams. He initiated diversification of our product offerings including creation of our own brand of products, through offering new snack food brands comprising a third party brand, namely, Cundo brand layer cakes, as well as our brands namely Miyu chocolate snacks and biscuits and Mina brand dried fruits (which is in the midst of rebranding) for our Group to grow our customer base and revenue sources. He has taken an active interest in his investment in our Group, through meetings with the management to discuss on our Group's business and set strategic goals for our Group.

By leveraging on his business experience, expertise and business networks which were garnered over the years, he spearheaded our Group's e-commerce and online sales initiatives and monitored trends in the distribution of consumer packaged foods to grow the presence of our Group's brands. He has guided our Company to strategically expand our Group's product offerings and strengthening our Group's revenue sources to further drive profitability and operational efficiency.

In October 2021, he assumed the position as Executive Director and CEO of our Group, and started to be formally involved in the operations of our Group by providing strategic, financial, and operational leadership to our Group. His present duties also include designing, evaluating, and implementing various medium to long term growth strategies, driving and reviewing the business and revenue expansion initiatives of our Group, and providing oversight and management on the overall operational and finance and performance of our Group. In addition, he also provides strategic input on major corporate decision-making matters, including, but not limited to, potential mergers and acquisitions, or joint venture partnerships.

He also holds directorships in several private companies. Save for his directorship of the Company, he does not hold any other directorship in public companies and listed corporation.

DIRECTORS' PROFILE

Saranjit Wang

Executive Director



44
age



Saranjit Wang, is our Executive Director as well as our Managing Director of Bai Li Enterprise. She currently resides in Thailand. She was appointed to our Board as Executive Director on 1 March 2022. In March 2020, she obtained her higher vocational certificate (major in Accounting) from the Inter Asia Technological College, Thailand.

Upon completion of her secondary education at Bangkok Non-Formal Education Center 4, Thailand in March 2001, she 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. She believes that these past business experience has groomed her to be more determined and decisive while managing business operations.

In January 2007, she founded Bai Li Enterprise and as the Managing Director of Bai Li Enterprise, her role and responsibilities in Bai Li Enterprise were managing Bai Li Enterprise and its business growth direction. She has been instrumental in the expansion of the business of Bai Li Enterprise over the past 17 years. She has approximately 22 years of experience in consumer packaged goods industry.

Currently, as the Managing Director of Bai Li Enterprise and Executive Director of our Group, her role remains the same as she continues to oversee our Group's overall management and business growth direction in Thailand. Her duties include overseeing the leadership team in Thailand as well as overseeing the sourcing of new products and distributions in Thailand market, and building relationship with customers. Her additional role and responsibilities also include reporting to the CEO and the Board of Directors of our Company.

She also holds directorships in several private companies. Save for her directorship of the Company, she does not hold any other directorship in public companies and listed corporation.

DIRECTORS' PROFILE



Kua Chin Teck

Executive Director



Kua Chin Teck is our Executive Director. He was appointed to our Board on 1 March 2022.

He graduated with a Bachelor of Business (Accountancy) degree from RMIT University, Australia in September 2004. Kua Chin Teck is a member of the Certified Practising Accountants, Australia since January 2005. He has more than 20 years of experience in the areas of audit, financial reporting, corporate finance and corporate development.

Kua Chin Teck started his career in October 2004 as an audit associate at Ernst & Young, a financial and audit services firm in Malaysia and was responsible for audit planning and fieldwork. In December 2006, he left Ernst & Young, Malaysia and joined Deloitte & Touche, a financial and audit services firm in Singapore as an audit assistant in the same month. He has worked on numerous initial public offering and financial audit engagements.

He then left in February 2008 to join Otto Marine Limited, a company principally involved in an offshore marine group engaged in shipbuilding, ship repair and conversion and ship chartering as a Finance Manager in March 2008 and was responsible for all finance related matters including amongst others, reviewing group consolidation accounts, financial report for management, preparing projected cash flow and forecast for the group. During his employment with Otto Marine Limited, he was involved in the initial public offering exercise undertaken by the company and has implemented the group reporting structure and procedure for the company post listing.

In September 2012, he left Otto Marine Limited and joined Swiber Corporate Services Pte. Ltd. (now known as Swiber Corporate Pte. Ltd.), a subsidiary of Swiber Holdings Limited which is principally involved in integrated offshore construction and support service provider for shallow water oil and gas field development

as a Regional Finance Manager in October 2012 and was responsible for regional corporate finance activities among the group. In September 2015, he was then promoted to the position of Associate Director, Corporate Finance. He was involved in various corporate exercises such as rights issue, issuance of medium-term notes and disposal exercises.

After he left Swiber Holdings Limited in August 2016, he continued his career with Vallianz Corporate Services Pte. Ltd., a subsidiary of Vallianz Holdings Limited which is principally involved in offshore marine business in October 2016 as a Director of Treasury & Corporate Development Department. He led the finance department and restructured the financial position of the group. He then left Vallianz Holdings Limited in March 2019.

In May 2019, he was appointed as the Group Corporate Services Director of Widad Business Group Sdn. Bhd., a company principally involved in construction, facility management, property development, education, hospitality and defence industry. He was responsible for reorganisation of the group including strategic acquisition. He left Widad Business Group Sdn. Bhd. in September 2021.

He joined our Group in October 2021 as Head of Corporate and was responsible for corporate strategy and corporate development of our Group. In March 2022, he was appointed as our Executive Director responsible for corporate strategy and corporate development of our Group. He also holds directorship in several private companies.

Save for his directorship of the Company, he does not hold any directorship in public companies and listed corporations.

DIRECTORS' PROFILE

Tang Yuen Kin

Independent Non-Executive Director



Tang Yuen Kin was appointed as our Independent Non-Executive Director on 15 March 2022. He is the Chairman of our Audit Committee. He is also the member of our Risk Management Committee, and Nominating and Remuneration Committee.

He graduated with a Bachelor of Accounting (First Class Honours) degree from the University of Malaya, Malaysia in August 1995. He obtained his Master of Business Administration (Banking & Finance) ("MBA") from Nanyang Technological University, Singapore ("NTU") in August 2000. He also obtained his Master of Law Executive (Business Law) from International Islamic University Malaysia in August 2006. He has been a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants since July 2000 and May 2015 respectively. He has more than 25 years of experience in the areas of audit, accounting and finance, corporate finance and corporate planning.

He began his career in May 1995 as an Audit Assistant with Price Waterhouse (now known as PricewaterhouseCoopers PLT) ("PW") where he was involved in audit works mainly for public listed and multi-national companies. He was promoted to the position of Audit Senior in January 1997. He then left PW in October 1997 and joined the Securities Commission Malaysia ("SC") in November 1997 as an Executive Officer in the Securities Issues Department. During his tenure with the SC, he was involved in evaluating and assessing corporate proposals, such as initial public

offerings, restructurings, rights issues and other fund-raising proposals undertaken by public companies. He was also involved in compliance monitoring.

He took a sabbatical leave from the SC in October 1998 to pursue his MBA at NTU and re-joined the SC in March 2000. He then left the SC in November 2004 as a Senior Executive Officer and joined KPMG Corporate Services Sdn Bhd as a Principal Consultant in the same month where he was involved in providing clients with corporate finance advisory services in areas such as valuations, financial modelling, mergers and acquisitions, initial public offerings and other corporate exercises. In September 2005, he was transferred to KPMG Corporate Advisory Sdn Bhd and was subsequently promoted to the position of Director, Corporate Finance.

In January 2008, he left KPMG Corporate Advisory Sdn Bhd and co-founded MainStreet Advisers Sdn Bhd ("MainStreet Advisers"). As an Executive Director of MainStreet Advisers, he provided corporate finance advisory services to clients mainly in the areas of initial public offerings and restructuring. Subsequently, he joined AmlInvestment Bank Berhad ("AmlInvestment Bank") in January 2010 as an Associate Director in its Corporate Finance Department. During his tenure with AmlInvestment Bank, he was involved in providing advisory services to clients mainly for initial public offerings, in areas such as structuring, project management, co-ordination, execution and implementation of listing proposals. He then left AmlInvestment Bank in September 2011.

DIRECTORS' PROFILE

Tang Yuen Kin (Cont'd)

In January 2012, he joined ZJ Advisory Sdn Bhd as a Director, where he continued to provide corporate finance advisory services to clients. Thereafter, he joined Alliance Investment Bank Berhad ("Alliance Investment Bank") in May 2012 as Vice President in its Capital Market – Origination Department. During his tenure with Alliance Investment Bank, he was re-designated to the position of Vice President, Head in the Capital Market – Equity Execution Department in April 2013 and then promoted to the position of Senior Vice President, Head in the same department in October 2013. In these roles, he administered and managed the running of the Capital Market – Equity Execution Department, comprising the overall management and execution of corporate finance mandates for, among others, initial public offerings, independent advice and listing sponsorships.

He was also in charge of the department's risk management, liaising with clients and regulators on the execution of secured mandates, staff management and development and overall office administration.

In August 2014, he left his tenure in corporate finance/ investment banking advisory services and joined Sasbadi Holdings Berhad ("SHB"), an education solutions provider as a Group CFO in November 2014. As the Group CFO of SHB, he was responsible for overseeing financial, accounting and tax management and reporting functions, risk management and internal control system, corporate planning, legal matters and

investor relations activities of SHB and its group of companies. He left SHB in April 2018 and joined Artius Dental Sdn Bhd ("Artius Dental"), a company providing dental care and other related services in May 2018 as a Group CFO for a short period of time. He then left to join Dancomech Holdings Berhad, a company principally involved in the trading and distribution of process control equipment, measurement instruments and industrial pumps as its Group CFO in November 2018. In his present position with Dancomech Holdings Berhad, his job responsibilities are similar to those undertaken by him in SHB.

Presently, he is also an Independent Non-Executive Director of SHB, a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and an Independent Non-Executive Chairman of Powerwell Holdings Berhad, a public company listed on the ACE Market of Bursa Securities ("ACE Market"). He also holds directorships in several private companies.

DIRECTORS' PROFILE

Fazidah Bt Zakaria

Independent Non-Executive Director



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Fazidah Bt Zakaria was appointed as our Independent Non-Executive Director on 15 March 2022. She currently resides in Malaysia. She is the Chairperson of our Risk Management Committee. She is also the member of our Audit Committee, and Nominating and Remuneration Committee.

She graduated with a Bachelor of Arts in Accounting and Financial Management degree from the University of Essex, United Kingdom in July 1991. She completed the ASEAN Senior Management Development Program organised by Harvard Business School Alumni Club of Malaysia in August 2017. She has more than 29 years of experience in capital market, corporate finance, Islamic banking, corporate strategy, project management, strategic planning and communications.

After graduation, she started her career in Ministry of Finance, Malaysia as an Assistant Director of Unit Pengurusan Kewangan in August 1991 where she was responsible for monitoring the successful implementation of government financial systems. In March 1993, she left the Ministry of Finance, Malaysia and joined the SC as an Executive in the Issues & Investment Division in April 1993 and was subsequently promoted to Senior Executive where she was involved in reviewing and recommending corporate proposals, such as initial public offerings, mergers and acquisitions, fund-raising exercise and issue of debt securities undertaken by public listed companies. In December 2001, she was transferred to Corporate Affairs, Chairman's Office where she was involved in managing stakeholders and industry development.

In September 2007, she left the SC and joined Kuwait Finance House (Malaysia) Berhad, a foreign Islamic bank as a Manager of Communications & Public Relations Department in the same month. She was subsequently promoted to Senior Manager/ Acting Head of the Department where she handled issues management in major deals and developed communication plans to manage negative perceptions impacting bank's credibility and foreign investments in Malaysia. She also devised a strategy and rolled out Corporate Social Responsibility programmes to support the critical needs of the community in consultation with the bank's Charity Fund Committee.

In December 2011, she left Kuwait Finance House (Malaysia) Berhad and joined Aliran Ihsan Resources Berhad, a private water company in March 2012. As the Head of Corporate Affairs Department, she spearheaded various corporate exercise including the delisting and capital reduction of the company and managed the regulatory compliance matters. She was then transferred to MMC Corporation Berhad (the holding company of Aliran Ihsan Resources Berhad), which is an infrastructure and utility company listed on Main Market of Bursa Securities as a Senior Manager, Group Strategy & Corporate Affairs in March 2013. During her tenure with MMC Corporation Berhad, she led the establishment of full-scale corporate affairs department for its group of companies including alignment of planning, activities and budget for all strategic issues management, corporate communications, branding and corporate social responsibility at group level.

DIRECTORS' PROFILE

Fazidah Bt Zakaria (Cont'd)

She decided to leave MMC Corporation Berhad in April 2015 and took up the role of the Head, Corporate Strategy & Risk of Proton Parts Centre Sdn Bhd, a member of Proton Holdings Berhad group of companies in May 2015. She instituted monthly performance reviews to identify and resolve auto parts delivery issues. She was also responsible for identifying the top risks of the company and specifying mitigation plans for respective business sections. She then left to join CCM Chemicals Sdn Bhd ("CCM Chemicals"), a chemical manufacturing company as Head of Corporate & Strategy Department in January 2016.

During her tenure with CCM Chemicals, she was entrusted with the tasks covering strategic direction and key project implementation of the company. She had formulated corporate performance monitoring for the company and revamped the risk management plan to align with key performance indicators and overall top business risks. She was also involved in identifying, evaluating and executing growth opportunities through mergers and acquisitions, joint venture and partnerships for the organisation. She took up the Employee Separation Scheme offered by CCM Chemicals in August 2021.

In October 2021, she joined Kuala Lumpur Kepong Berhad, a company principally involved in oil palm plantation as the Senior Manager of Corporate Communications responsible for internal and external communication and government relations. She then left the company in August 2022 and subsequently joined Joshua Rayan Integrated Reporting and Sustainability Specialists Sdn Bhd as a Director, ESG Reporting Guidance and Advisory.

Save for her directorship of the Company, she does not hold any other directorship in public companies and listed corporation.

DIRECTORS' PROFILE

Yang Shing Sing

Independent Non-Executive Director



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Yang Shing Sing was appointed as our Independent Non-Executive Director on 15 March 2022. She currently resides in Malaysia. She is the Chairperson of our Nominating and Remuneration Committee. She is also the member of our Audit Committee and Risk Management Committee.

She obtained her Diploma in Business Administration from Southern College, Malaysia in May 2010. She was certified as an internal auditor for the ISO 9001:2008 in May 2014, a lead auditor for the ISO 9001:2015 in April 2016 and an internal auditor for the ISO 14001:2015 in November 2017. She was also certified as a Train-The-Trainer certified trainer by Pembangunan Sumber Manusia Berhad and Brownland HResources Sdn Bhd in October 2017. She has approximately 12 years of experience in the field of business consultation and management services on the ISO standards. She was awarded the recipient of the Top Emerging Leader of the Year 2019 by Des Prix Infinitus Media for her dedication in entrepreneurial and strong leadership skills.

In October 2011, she started her career in Loyal Reliance Pte. Ltd., a company principally involved in provision of business consultancy and training services as a Corporate Relationship Officer responsible in maintaining a good relationship and communications with the banks. In September 2012, she left Loyal

Reliance Pte. Ltd. and joined Loyal Reliance Sdn. Bhd., a company principally involved in provision of business management consultancy services for information technology as a Personal Assistant to Managing Director in November 2012. She was promoted to General Manager in January 2013 responsible for overseeing the daily business activities, strategizing to improve the overall business functions, developing and implementing the operational policies and strategic plan, and providing ISO consultancy works to clients. She left Loyal Reliance Sdn. Bhd. in December 2016.

In January 2017, she was appointed as a Business Development Director of WBU International Sdn. Bhd., a company principally involved in provision of business solution and advisory services and she was responsible for overseeing the strategic development, marketing initiatives and implementing better business practices for the company.

DIRECTORS' PROFILE

Yang Shing Sing (Cont'd)

In August 2018, she took up the role as the COO of IBC Assets Sdn. Bhd. (now known as IBC Assets Berhad), an investment holding company principally involved in managing in-house fund and she was responsible for refining and structuring the management reporting structure and overseeing and managing the internal audit procedures for ISO standards. She was then appointed as a COO of International Business Capital Sdn Bhd (the holding company of IBC Assets Sdn Bhd), a company principally involved in providing business advisory in January 2019. She is responsible for designing and implementing business operations and protocols for productivity and efficiency, establishing standard operating policies that promote the company's culture and vision, and overseeing general operations of the company and the overall performance of employees. Currently, she oversees the operations of both IBC Assets Berhad and International Business Capital Sdn. Bhd. as mentioned above.

Since March 2021, she has been the Executive Director of Newman Trust Investment Bank Ltd., an investment bank specializing in corporate finance and advance market advisory services and she oversees the origination and execution of end-to-end private equity, mergers and acquisitions and structured finance transactions.

Presently, she is also a Non-Independent Non-Executive Director of Mikro MSC Berhad, a public company listed on the ACE Market. She also holds directorships in several private companies.

Additional Information:

▶ **Family relationship with any director and major shareholders**

All of the above Directors do not have any family relationship with any director and/or major shareholders of the Company.

▶ **Conflict of Interest**

None of the Directors have any conflict of interest with the Company.

▶ **Conviction of Offence, public sanction or penalty imposed by relevant regulatory bodies**

Other than traffic offenses, none of the Directors of the Company have any convictions for offenses within the past 5 years or have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE



Wang Zheng

Chief Operation Officer

► Male, 42, Chinese

Wang Zheng is the Chief Operation Officer (“COO”) of our Group. He currently resides in Thailand. He obtained his Bachelor of Management (major in Marketing) degree from Liaoning Huashang Economic University, China in July 2009. He then obtained his Master in Business Administration degree from The Cavite State University, Philippines in August 2021. He has approximately 17 years of experience in the areas of logistics management, supply chain management and setting up operational procedures for companies.

He started his career as a personal business advisor to Saranjit Wang, the Managing Director of Bai Li Enterprise since January 2007. He was assisting Bai Li Enterprise to source food and snacks product from China and export of fried fish and fruit products from Thailand into China market. Since July 2012, he was

also advising Saranjit Wang, the Managing Director of Bai Li Enterprise on sales and operations planning and providing guidance on product knowledge to the sales team of Bai Li Enterprise. He was assisting in sourcing new products and distribution of the new products in Thailand market.

He was appointed as COO of our Group in July 2020. As the COO of our Group, he oversees the overall operations of our Group. He assists to source new products from both local and/or overseas market for distribution in Thailand market. He is also responsible for annual business planning and supplier relationship management of our Group.



Tin Jiing Soon

Chief Financial Officer

► Male, 44, Malaysian

Tin Jiing Soon, is the Chief Financial Officer (“CFO”) of our Group. He currently resides in Malaysia. He obtained his Bachelor of Business (Accountancy) degree from RMIT University, Australia in July 2003. He has approximately 21 years of experience in the areas of audit, financial reporting, budgeting, cost management and corporate planning.

He started his career in December 2003 at Ernst & Young,

a financial and audit services firm in Malaysia as an audit associate in the Assurance and Advisory Business Services Division where he was involved in due diligence and statutory audits of public listed and non-public listed companies in various industries. He then left Ernst & Young, Malaysia in December 2006 as a Senior Associate and joined Ernst & Young, Singapore as a Senior Associate in the Assurance and Advisory Business Services Division in March 2007.

KEY SENIOR MANAGEMENT'S PROFILE

Tin Jiing Soon (Cont'd)

In September 2007, he left Ernst & Young, Singapore and joined CIMC Raffles Offshore (Singapore) Ltd. (now known as CIMC Raffles Offshore (Singapore) Pte. Ltd.), a company principally involved in building and repairing of ships, tankers and other ocean-going vessels as Group Assistant Finance Manager. He was responsible for preparation of annual cash flow forecast and expense budget of the group, consolidated reporting packs of China entities and analysis of the group's monthly management reports. He was then promoted to Group Finance Manager in March 2009. During his tenure with CIMC Raffles Offshore (Singapore) Ltd., he had also been assigned to assist the Group Deputy CFO to oversee the budget and progress of the drilling rig construction project in Russia and manage finance department of the group's subsidiaries in China.

In January 2012, he left CIMC Raffles Offshore (Singapore) Pte. Ltd. and joined Sea Forrest Offshore Pte. Ltd., a marine and offshore project management company as Head of Finance in February 2012. He was responsible for the finance department functions, managing project and

operation cash flow and preparation of financial forecast and budget of the company. He then left the company in February 2014 and took a career break.

In July 2014, he joined Infraavest Pte. Ltd., a company principally involved in provision of business management consultancy services as Director of Special Project / Finance and Business Development. He was responsible for the group financial reporting and review. He also handled acquisition exercises and/or establishment of new business entities in several industries. He left Infraavest Pte. Ltd. in September 2021.

He joined our Group as CFO in October 2021. As the CFO of our Group, he is responsible for overseeing the accounts and finance department of Wellspire Group.



Wanchai Wanichkulthumrong

Deputy COO

► Male, 50, Thai

Wanchai Wanichkulthumrong is the Deputy COO of our Group. He currently resides in Thailand. He obtained his Bachelor of Business Administration from The University of The Thai Chamber of Commerce, Thailand in February 1995. He has approximately 27 years of experience in the areas of procurement, merchandising and inventory management.

He started his career in Ek-Chai Distribution System Co., Ltd., a company operating hypermarket chains in Thailand in October 1995 as an Assistant Buyer responsible for market survey and sourcing, negotiating

and purchasing of goods. He left as a Senior Buyer in March 2007.

He joined Big C Supercenter Public Co., Ltd., a company operating supermarkets and discount stores in Thailand as a Senior Category Manager in April 2007. He was responsible for preparation of sales budget and target and monitoring of sale turnover and profit plan. He also handled the negotiation with both international and local vendors for trade agreement and performance review with key vendors yearly.

KEY SENIOR MANAGEMENT'S PROFILE

Wanchai Wanichkulthumrong (Cont'd)

He left Big C Supercenter Public Co., Ltd. in June 2012 and joined CPF Trading Company Limited, a consumer goods company in Thailand as Assistant Vice President of Merchandise Department in the same month. He was responsible for merchandise strategy, category strategy and preparation of sales budget and trade plan. He then left the company in July 2014.

In August 2014, he joined TCC Logistics and Warehouse Co., Ltd., a food retailer as a Vice President of Food Merchandise Department. His job responsibilities are similar to those undertaken by him in Big C Supercenter Public Co., Ltd.

He then left TCC Logistics and Warehouse Co., Ltd. in June 2015 and took a 6-month career break before joining TOA Paint (Thailand) Public Company Limited, a chemical manufacturing company in January 2016. He was appointed as a business consultant of TOA Paint (Thailand) Public Company Limited responsible for conducting feasibility study, exploring new retail model, sourcing products from China and set-up of new retail stores. He then left the company in September 2017 to take care of a sick family member.

In October 2018, he joined Central Food Retail Co., Ltd., a company operating supermarket chains in Thailand

as Assistant Vice President – General Merchandise Buying Lifestyle Products responsible for merchandise strategy, preparation of sales budget and sourcing products from China. He then left in June 2019 to explore business opportunities.

In October 2019, he joined Mega Alliance Co., Ltd., a wholesaler as a Director overseeing the company's operation and strategising the expansion plan of traditional trade market.

In February 2021, he left Mega Alliance Co., Ltd. and joined Valueplus Worldwide Co., Ltd., a wholesaler as Vice President of Traditional Trade Channel Department in March 2021. He was responsible for expansion of the traditional trade market channels and managing customer satisfaction of the company's products. He left Valueplus Worldwide Co., Ltd. in September 2021.

He joined our Group as Deputy COO in October 2021. As the Deputy COO of our Group, he is responsible for the customer relationship management of Wellspire Group. He also oversees the sales department, delivery of action plans of each department and implementation of the performance framework and monthly operational performance meeting.

Additional Information:

► **Family relationship with any director and major shareholders**

Save for Wang Zheng who is the spouse of Saranjit Wang, there are no other family relationship with the Directors and/or major shareholders of the Company.

► **Any directorship in other public companies and listed companies**

None of the Key Senior Management holds any directorship in public companies and listed companies.

► **Conflict of Interest**

None of the Key Senior Management have any conflict of interest with the Company.

► **Conviction of Offence, public sanction or penalty imposed by relevant regulatory bodies**

Other than traffic offenses, none of the Key Senior Management of the Company have any convictions for offenses within the past 5 years or have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CEO'S STATEMENT

WELLSPIRE HOLDINGS BERHAD

“Wellspire” or the “Group”) has successfully charted its inaugural year as an ACE Market-listed company with the Bursa Malaysia Securities Berhad (“Bursa Securities”) in its financial year ended 31 December 2023 (“FYE 2023”).

With the wise guidance of the management and its leadership team, the Group continues to drive its vision to be the preferred distribution partner for snack food products from other regions into the Thailand market, and serve as an important enabler of synergistic cross-country distribution of snack food products.

In Malaysia, the Group intends to establish its Malaysia distribution channels and cross-selling activities between its two home markets of Thailand and Malaysia. Meanwhile, across the Causeway, the Group intends to extend its reach within the snack food products market of Singapore.



MO GUOPIAO

Executive Director/
Chief Executive Officer

CEO'S STATEMENT

A STRATEGIC DRIVE

Cascading the Group's vision is its persistent drive to seek expansion to its customer base, suppliers and enhance its stock keeping units ("SKUs") throughout its operations. The new strategic partnerships formed in FYE 2023 include distribution agreements with established trading partners and strategic cooperation agreements with new ones. These new agreements showcase the Group's capabilities to market and distribute brands which it has a good track record of representing even prior to its public listing.

The Group continues to widen its product range by developing its own stable of product brands and exploring newer ones to be introduced into Thailand, Malaysia and Singapore. This combined effort will truly tap into the Group's ability to source its own pipeline of product brands, defining the Group's main business activities in the immediate future.

FUTURE PROSPECTS

The Group's performance is reflected in its higher revenue of RM124.88 million recorded for FYE 2023 and correspondingly, a higher profit before tax ("PBT") of RM7.44 million. With new brands joining the Group's established distribution business, the number of SKUs the Group has since 2021 increased from 38 to 59 at the end of FYE 2023. Meanwhile, a significant portion of the Group's revenue continues to be driven from the customer base in Thailand from the sale of sunflower seeds, which amounted to RM113.67 million in FYE 2023, representing 91.02% of total revenue for the year under review. The Group continues to manage its risks through the widening of product lines and exploring new markets for its distributorship channels.

Considering the demand for quality-assured halal food products¹ globally, the market for Muslim-friendly snack food includes not only Malaysia, but also the Middle East² nations, which represents potential growth market for the Group. The potential of the Middle East, is backed by research³ showing promising growth prospects in the region's snack food market, with increasing consumer demand for the snack food market. The Group is looking to develop distribution channels in Malaysia, which has a good Halal hub status and potentially serve as a regional centre for the Halal market that also extends to the Middle East together with our existing vendors. Additionally, our Group will be undertaking initiative, which include working with our consumer-packaged foods producers to attain halal certification for the Group's consumer-packaged foods.

Further boosting this upside is the Group's trading of biomass fuel products, which commenced since the last quarter of 2023 and is poised for further expansion in 2024. This revenue stream capitalises on the National Biomass Action Plan 2023-2030, which is expected to bring in an investment of RM7 billion and the creation of up to 33,000 job opportunities in the industry⁴.

- 1 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10706363/>
- 2 https://en.wikipedia.org/wiki/Religion_in_the_Middle_East
- 3 Statista, *Snack Food Market, United Arab Emirates (UAE)*
- 4 https://www.kpk.gov.my/kpk/images/mpj_biomass/27122023-National_Biomass_Action_Plan.pdf

Nevertheless, the Group acknowledges the significance of sustainability and is committed to integrating ESG factors into the Group's strategy. In FYE 2023, the Group established policies focused on sustainability and reviewed business practices to identify material matters aligned with Bursa Securities requirements. The Group is committed to enhancing its sustainability disclosures and stakeholder engagement for a collective positive impact.



RM124.88 million
Revenue YTD



RM7.44 million
PBT



The number of SKUs has increased from

38 to 59



The sale of sunflower seeds from the customer base in Thailand amounted to

RM113.67 million
or 91.02% of total revenue of the year under review

ACKNOWLEDGEMENTS

The Group wishes to acknowledge the support and dedication from important stakeholders such as the Group's valuable employees and treasured suppliers, as well as the precious trust and support of our customers. We recognised that without these valuable stakeholders, the Group would not be able to maintain its market position and provide value to its consumers.

MANAGEMENT DISCUSSION AND ANALYSIS



The conclusion of the financial year ended 31 December 2023 (“FYE 2023”) marks a significant milestone for

WELLSPIRE HOLDINGS BERHAD

(“Wellspire” or “The Group”) as it wraps up its inaugural year as a publicly listed company on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). This signifies the Group’s first full year operating as a listed company primarily engaged in the distribution and online retailing of the snack food business based predominantly in Thailand.



MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL BUSINESS ACTIVITIES

The principal activities of the Company is investment holding, with the subsidiaries mainly involved in the distribution and online retailer of consumer packaged-foods and trading of food products and biomass fuel products. For the distribution of consumer-packaged foods, the Group procures them in a 'ready-to-distribute' form and subsequently resells them in cartons.

The Group's primary focus persists in the distribution of consumer-packaged foods in Thailand, with the flagship product, the renowned ChaCha brand sunflower seeds. The Group's subsidiary, Bai Li Enterprise Co., Ltd., retains its exclusive distributorship of the ChaCha brand consumer-packaged foods in the Thailand market. Alongside sunflower

seeds, the Group distributes a diverse range of food products, including seeds, nuts, baked goods and confectionery items, boasting over

The Group's operational headquarters are in Pathum Thani, Thailand, strategically located within its client base area in Bangkok. The Group's market reach extends throughout the Central, North-Eastern, Northern and Southern regions of Thailand.

59 stock-keeping units within the Group's distributorship.

The key strengths of the Group's business are its exclusive distributorship of the ChaCha brand sunflower seeds, bolstered by the Group's established indirect distribution channels, which cater to a broad base of end consumers. Additionally, the Group's networking capabilities with some of the largest retail chain outlets in the Thailand market further enhance the Group's competitive edge. The Group continues to be led by a team of experienced directors and a senior management team, ensuring professionalism and efficiency in the Group's operations.

STABLE FINANCIAL PERFORMANCE

The Group recorded a stable financial performance with a slight increase in total revenue to RM124.88 million from RM123.37 million in the previous year, representing a 1.22% increase. In line with the top line result, the profit before tax grew by 26.10% to RM7.44 million compared to RM5.90 million reported in the previous year. The growth is mainly attributed to the increased profit margin from operations and the absence of listing expenses in the Group's inaugural year as a public listed company. The Group's Profit After Tax ("PAT") stood at an admirable RM4.45 million as compared to RM2.96 million, growing by an impressive 50.34% year-on-year.

In terms of equity, the Group's profit and total comprehensive income attributable to the owners of the Company stood at RM2.64 million and RM3.80 million respectively as compared to RM1.14 million and RM1.34 million respectively in FYE

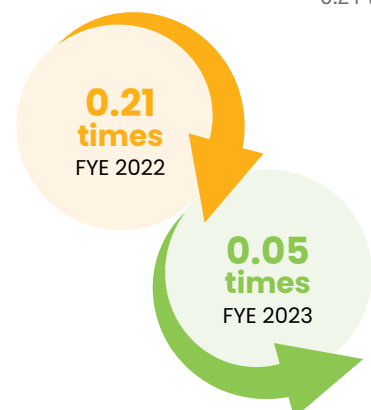
2022. This translated to its basic and fully diluted Earnings Per Share ("EPS") attributable to the owners of the company of 0.37 sen per share which nearly doubled last year's EPS of 0.19 sen per share. The Group's Net Assets Per Share had also more than doubled to 7.40 sen per share in FYE 2023 versus 3.72 sen per share from the year before due to its listing exercise in which the Group received listing proceeds.

As this is the Group's first full year of trading, the Group's IPO that has raised a total of RM28.66 million was earmarked for an operational facility in Thailand and working capital for the rest of the operations. During FYE 2023, the Group had extended the timeframe of utilisation of the proceeds from the IPO of RM5.96 million allocated for working capital for an additional 12 months. In the meantime, the Group's has reallocated RM0.91 million surplus funds earmarked for estimated listing

expenses to the Group's working capital. The Group had pared down its net gearing to 0.05 times in FYE 2023 from 0.21 times in FYE 2022.

► Net gearing

of the Group is at a healthy 0.05 times pared down from the previous year's 0.21 times



MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND SEGMENTAL REVIEW



Warehouse

The Group's warehouse and operational hub remains in Pathum Thani while the Group continues assessing the purchase and development of its own warehouse and operational excellence centre.



Revenue

The Group's main contributor to its revenue remains the marketing, distribution and sale of the Cha Cha brand sunflower seeds, which contributed RM113.67 million or 91.02% of the Group's total revenue at for the FYE 2023. This is on the back of last year's RM114.60 million, corresponding to 92.89% of its total revenue, reducing the single-category dependency risk by widening the Group's product range.

There was a price adjustment for sunflower seeds, mirroring the price increase in the product and higher contribution to revenue from other snack food products in the year under review. The Group will continue widening its product range to sustain growth momentum going ahead.



91.02%

TOTAL REVENUE

RM113.67 million



Our Customers

Similarly, in terms of the indirect channel to resellers and the direct channel to retailers and wholesalers, the Group's customer base remained the same in FYE 2023. The regulars include the 7-Eleven chain, Big C and Lotus's hypermarkets and Makro cash and carry stores. Charting year-on-year growth, the Group's online retail channel have seen an innovative enhancement of its e-commerce platform operated by subsidiary, Keymall Retail. This platform, which complements its existing business

model and enables the Group's online presence, has been enhanced with the addition of a placement order platform and linking it with other e-commerce channels, such as Lazada and Shopee, to enhance the customer experience and ease ordering processes. In addition to this improvement is the consideration to add a payment gateway and improve accessibility by adding language options other than Thai to reach a wider consumer base through their e-commerce platform.



Lotus's

MANAGEMENT DISCUSSION AND ANALYSIS

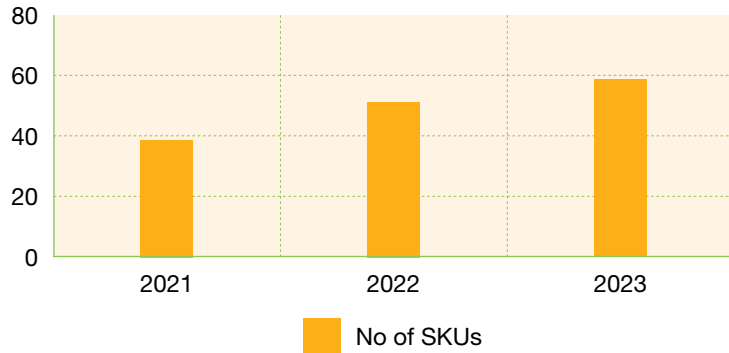
OPERATIONAL AND SEGMENTAL REVIEW (CONT'D)



Stock-Keeping Units ("SKUs")

In the year under review, the Group's number of SKUs have also grown in tandem with the expansion of distributorship and collaboration agreements to bring new brands on board. The chart shows that, the Group's SKUs have grown by more than 50% in the last three years of operations to drive a diversified and more sustainable operations going forward.

GROWTH IN SKUS



Inflationary Pressure and Cost Transfer Strategy

Within FYE 2023, the Group faced rising cost-pushed inflationary pressure, and among some of its mitigation measures was to transfer the cost to consumers who still supported the Group through this transition. This is also on the back of the Group's negotiating power with their stakeholders within the supply chain to ensure that the transfer of cost was not exorbitant nor out of control from the expected range for transfer. Ultimately, the Group has been prudently managing the key material cost driver, which is product cost, through this considered effort.



Gross Profit

In FYE 2023, the Group navigated challenges posed by increased sunflower seed prices by strategically implementing price increase to cover most of the additional cost while simultaneously driving higher revenue from other snack food products. This approach enabled the Group to uphold its gross profit margin despite market fluctuations in input costs. The Group's gross profit margin decreased to 19.95% for FYE 2023 as compared to 21.04% in the corresponding financial year. Looking ahead, the Group plans to further enhance gross profit margins in the upcoming financial year by widening its product range. This strategic expansion aims to capitalise on emerging market opportunities and optimise revenue streams, thereby fortifying the Group's position and sustaining its profitability trajectory.



Profit Before Tax ("PBT")

The Group has recorded a notable higher PBT of RM7.44 million for the current year, representing a significant improvement of 26.10% as compared to the PBT of RM5.90 million in the preceding year. The higher PBT in the current year can be attributed mainly to minimal listing expenses in the current year. The Group also had surmounted a climate of inflationary pressures by transferring majority of the costs to the consumer since Q1 of FYE 2023. This transfer resulted in an increase in PBT and enabled the Group to continue thriving in a challenging economic climate. As a result, the PBT margin increase from 4.78% in FYE 2022 to 5.96% in FYE 2023 respectively.



19.95%

GROSS PROFIT

FYE 2022: 21.04%



5.96%

PROFIT BEFORE TAX

FYE 2022: 4.78%

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC DRIVE

As the Group established its presence as a public-listed company, it began streamlining the different segments of its operations into one that focusses on its main business activity of distribution, marketing and sales of snackfoods predominantly in Thailand. In FYE 2023, the Group entered into new strategic partnerships with both new and current partners. Among the new ones included an exclusive distribution partnership with a konjac and seasoned flour products brand in March 2023.

In a renewal and expansion of the Group's distribution agreement with its existing business partner, the Group has resolved to undertake the marketing, distribution and sale of its partner's brand's bakery and confectionery products in Malaysia,

Singapore and Thailand. Additionally, the Group has renewed its exclusive distributorship partnership with a sunflower seeds and nuts product brand in December 2023.



Malaysia



Singapore



Thailand

To foster innovation, the Group has successfully self-developed some products in-house to mitigate over-dependency on external suppliers.

Despite the positive outlook on macroeconomics, the reality of operating in a post-pandemic market entails facing economic shocks due to readjustment of local economies. One expected outcome is escalation in costs, particularly for the fast-moving consumer goods ("FMCG"), as production and operation cycles catch up to pent-up demand.

Therefore, expanding the Group's product range is another method of increasing margins and volume, while also providing a spread of risk against product price fluctuations. Where it is not feasible to transfer cost along the value chain, the Group needs to have a mechanism to defray the additional cost through new product margins netting.

RISKS AND OPPORTUNITIES

In FYE 2023, the Group has maintained its comprehensive system of risk management and internal controls. For a detailed outlook of the Group's activities, please refer to its Statement of Risk Management and Internal Control (SORMIC) on pages 70 to 73 of this Annual Report. The Group's risks are mainly business risk.

The main business risks are both low and moderate risks, all of which are known and successfully managed. Some of the existing risks include customer segment concentration in retail and wholesale sectors in Thailand, singular product risk, product labelling risk, product liability risk, product cost increase and warehouse disruptions. To address customer segmentation risk, the Group prioritises good customer retention incorporating feedback and issue management processes. In terms of singular product risk, this is the primary driver behind the Group's

diversification of product range.

Where product labelling is concerned, the Group complies with Product Labelling Control and monitors the Ministry of Health website for regulatory updates on a monthly basis. The product liability risk is covered by insurance and bolstered by warehouse checks for packaging integrity. Product cost increase is moderated by adjusting retail selling price to customers. Finally, warehouse disruptions are mitigated by regular maintenance based on the maintenance schedule and ensuring timely review for the adequacy of insurance coverage.

As the Group continues its operations in the Thai snack food market, it is cognisant of managing its product offerings through diversification of its product range. Diversification of its customer base also includes taking

a proactive approach in customer retention strategies and stock management practices for robust customer satisfaction.



MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECT

One of the most visible signs of Wellspire's well-honed business strategy is its increase in brands it represents and the availability of SKUs in the Group's portfolios. This enables it to align with its vision and mission as one of the leading players in the snack food industry.

In addition, a fully-diversified portfolio will also enable the growth and expansion of SKUs, reducing the risk of a single product concentrated business. This positions the Group to continue in its quest to establish new brands and SKUs with strategic business partnerships and alliances that bring synergy to its business partners and associates.

In the previous year, the Group signalled that its Malaysian listing was meant to capture new markets for diversification of its products and services. In FYE 2023, the Group has begun seeing new business ventures that enable this vision to be realised. One of the more visible signs that the Group fully intends to capture the new markets they are in is through the new distribution agreements with new partners while maintaining a successful go-to-market strategy of their existing SKUs. This will empower the Group within the foreseeable future of operating in their new targeted markets.



**BRAND
INCREASE**



**STOCK
KEEPING
UNIT**

DIVIDEND

The Group did not declare dividend in FYE 2023. This decision reflects a strategic approach aimed at optimising resources and bolstering the Group's financial position for future endeavours. Despite the non-declaration of dividends, it's imperative to recognise the overarching narrative of progress and value creation that underscores the Group's operations.

