

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT



We are pleased to present

### WELLSPIRE HOLDINGS BERHAD'S

("Wellspire" or the "Company") and its subsidiaries (collectively the "Group") second Sustainability Statement ("Statement"). This Statement outlines the Group's ongoing efforts to step-up its sustainability performance from the previous year, reflecting the Group's commitment to long-term value for its stakeholders.

This Statement should be read together with the other sections within Wellspire's Annual Report 2023, for a more detailed overview of Wellspire's financial performance in the financial year ended 31 December 2023 ("FYE 2023"). All monetary references in this Statement are in Ringgit Malaysia (RM), unless otherwise stated.

## REPORTING PERIOD

We publish Wellspire's sustainability statement annually, with our last sustainability statement published in April 2023. This Statement covers information on the Group's sustainability performance from 1 January 2023 to 31 December 2023.

## SCOPE AND BASIS OF SCOPE

The scope of the Statement includes the business operations and activities of the Company as well as all subsidiaries within the Group. These subsidiaries are divided into the business segments as below:

ENTITY	PRINCIPAL ACTIVITIES	COUNTRY
Wellspire Holdings Berhad	Investment holding company	Malaysia
Wellspire Global Trading Sdn Bhd	Trading of food products and biomass fuel products	Malaysia
Bai Li Enterprise Co. Ltd ("Bai Li")	Distribution of consumer packaged foods	Thailand
Keymall Retail Co. Ltd ("Keymall")	Online retailer of consumer packaged foods	Thailand

We have excluded our other subsidiaries, namely, Vine Growth Holdings Pte. Ltd. and Bai Li Holdings Co. Ltd (both of which are investment holding companies) from our reporting scope, as they do not have significant impact on the Group's overall sustainability performance for the financial year under review.

Please refer to page 4 of this Annual Report 2023 for the Group structure.

The Statement discloses how Wellspire managed its sustainability topics and the outcomes, highlights and performances throughout the financial year, as well as the challenges faced and the plans on how Wellspire is managing these challenges moving forward.

The report content, quality and scope are aligned with the prioritisation of its materiality topics that are deemed significant to Wellspire. We are cognisant of potential significant economic, environmental, social and governance ("EESG") impacts from our business value chain. Hence, Wellspire is committed to gradually cascade our sustainability best practices in all our geographical areas and eventually external stakeholders. Wellspire also plans to disclose its value chain partners' EESG performance in future reporting.

# SUSTAINABILITY STATEMENT

## REPORTING FRAMEWORKS AND STANDARDS

Wellspire's Statement for FYE 2023 is prepared in alignment with the Sustainability Reporting Guide (Third Edition) of Bursa Malaysia Securities Berhad ("Bursa Securities") and the ACE Market Listing Requirements in relation to Sustainability Reporting Framework. The Statement is also guided by other standards and frameworks, as below:

### GUIDELINES AND FRAMEWORKS



## EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

While we acknowledge that there may be EESG impacts throughout its value chain, the effects of outsourced activities are currently not included in this Statement. We are dedicated to progressively integrate sustainability practices along its entire subsidiaries and disseminating its EESG commitments to its business partners, suppliers and contractors.

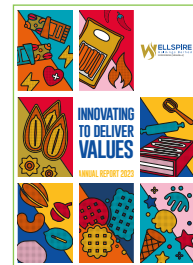
## FORWARD-LOOKING STATEMENTS

This Statement contains forward-looking statements on the Group's future strategies, targets, operations and performance aligned with projections rationale based on the current business directions. As with any other business, the Group is subjected to risks and unforeseen events beyond our control. Thus, Wellspire advises readers not to depend solely on these statements as actual outcomes may vary.

## ASSURANCE

All financial data disclosed in this report have been independently assured as part of the Group's annual financial audit and is identical to that of the Group's Annual Report 2023. Non-financial data in this Statement has been internally sourced and verified by the relevant business units or senior management to ensure its accuracy and quality.

## REPORT AVAILABILITY



The Statement can be accessed from Wellspire's corporate website at [www.wellspireholdings.com](http://www.wellspireholdings.com)



## FEEDBACK

We value your feedback and welcome any comments you may have on the Statement. Please send your comments to [info@wellspireholdings.com](mailto:info@wellspireholdings.com).

## SUSTAINABILITY STATEMENT

### CEO'S MESSAGE



#### Dear Valued Shareholders,

We are pleased to present our 2nd sustainability statement for Wellspire and its subsidiary companies in both Malaysia and Thailand for the financial year ended 2023. This statement represents the Group's overall sustainability performance since its full inaugural year as a listed company on the ACE Market of Bursa Securities in 2023.

In line with our financial growth within FYE 2023 through our strategic drive to expand our customer base and build new partnerships in our distribution channels, we are proud to have commenced integrating the EESG aspects into our business practices to drive long-term value for our stakeholders.

The Board of Directors ("Board") has the overall strategic role to take into account the EESG aspects when developing the Group's strategies including commitment and performances on key sustainability issues such as climate change. Wellspire recognises the importance of adhering to the enhanced sustainability reporting requirements set by Bursa Securities and aims to optimise its governance and risk control to improve its overall sustainability management. We have done so initially by formulating and establishing policies in FYE 2023 focused on our commitment to sustainability.

Within the financial year ended 2023, we initiated a review of the Group's business practices and identified the material topics that are relevant and aligned them with the common material matters listed by Bursa Securities, as well as those that have or is likely to have an impact from the Group's businesses. These included issues such as product quality, supply chain management, employment practices, environmental impacts as well as ethical business practices such as anti-corruption and data privacy and security. We also focused on the contributions made by our Thai operations to the local communities in Thailand. The Board recognises the teams' ongoing efforts to proactively measure and monitor the EESG performance throughout the year. We aim to set clear targets and goals in the future to reinforce the Group's commitment to sustainability.

We are committed to enhancing our sustainability disclosures to fully embed and align them into our overall strategic direction for the Group. To our stakeholders, your invaluable contributions are integral for us to advance our sustainability practices for a collective positive impact.

**MR. MO GUOPIAO**

CEO / Chief Executive Officer



# SUSTAINABILITY STATEMENT

## OUR APPROACH TO SUSTAINABILITY

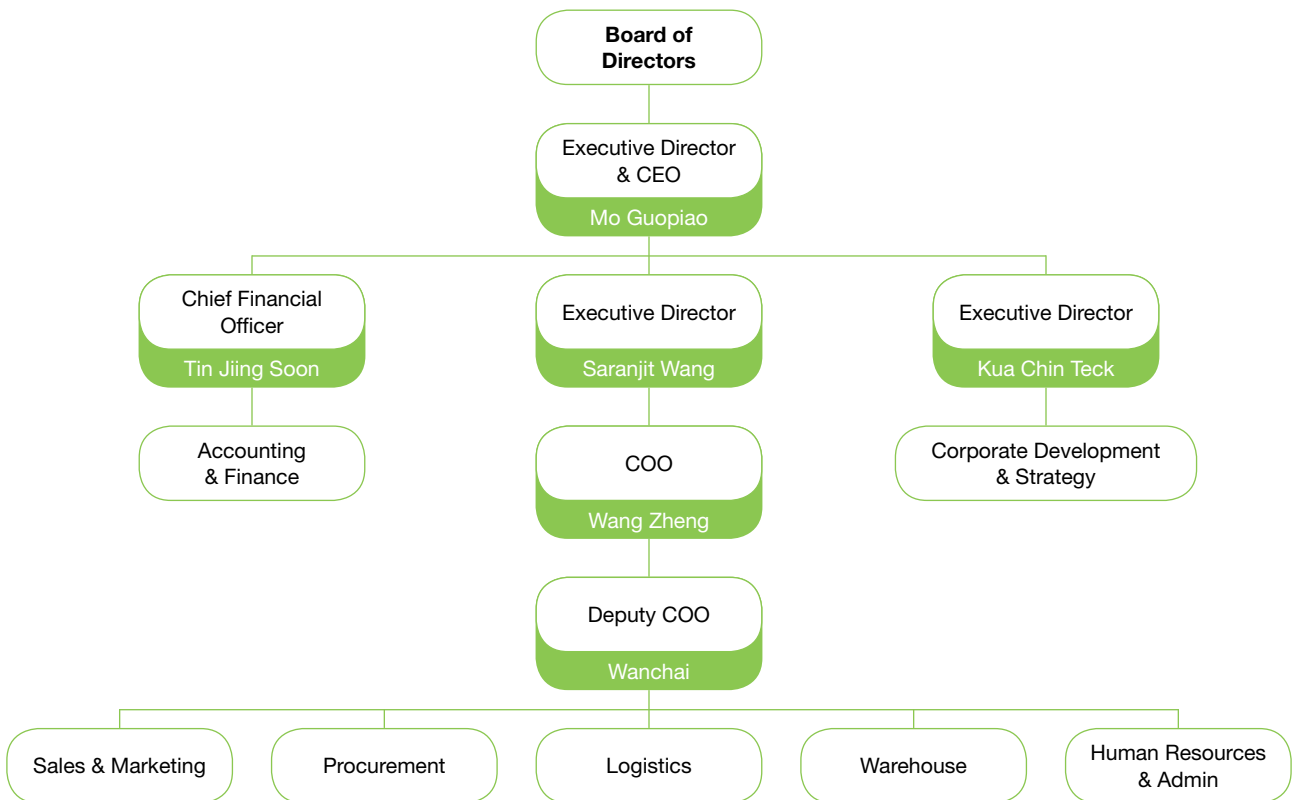
### SUSTAINABILITY GOVERNANCE

As this is our second sustainability statement, we have embarked on enhancing Wellspire’s sustainability governance to be progressively embedded into our corporate governance framework. Wellspire has taken steps to strengthen the Group’s sustainability endeavours by identifying gaps and formulating policies in key areas. Wellspire has established a Sustainability Policy in FYE 2023 to provide a framework to address the sustainability practices for the Group. The Policy aims to, among others, promote sustainable practices, to integrate the sustainability risks and opportunities into the Group’s strategies, policies and procedures and the general principles governing the Group’s sustainability strategy to ensure Group’s activities and businesses are aligned to create long-term sustainable value for the business, shareholders and other stakeholders.

The Board provides the strategic direction on Wellspire’s commitment to sustainable practices for the Group. The Board has oversight responsibility to deliver sustainable value to our stakeholders through the principles, policies and strategies of the Group. This includes the review and setting of the strategic plan for the Group that supports long-value creation and includes economic, environmental and social considerations underpinning sustainability and promoting good corporate governance culture within the Group.

The Board has delegated to the Group Chief Executive Officer, to assist the Board with the strategic direction on sustainability matters while being supported by the Group’s risk management team. The Board will consider formalising the establishment of a Sustainability Committee in the near future.

Our existing organisation chart and sustainability governance structure is as follows:



Note :

- (1) The approvals required for accounting and finance related matters at Bai Li level are approved by Saranjit Wang.
- (2) The above table represents the overall organisation structure of the Group.

# SUSTAINABILITY STATEMENT

## OUR APPROACH TO SUSTAINABILITY

### SUSTAINABILITY GOVERNANCE (CONT'D)



#### BOARD

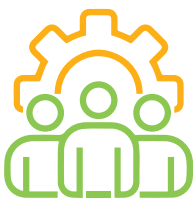
##### Board of Director

- Oversight of overall Wellspire’s sustainability commitment
- Approves Wellspire’s sustainability commitment, pillars and strategic priorities

#### COMMITTEE

##### Risk Management Committee

- Reviews the risk management framework, policies and processes, which include identifying, managing, monitoring, treating and mitigating significant risks including any risks impacting the material sustainability matters of the Group and to recommend for approval by the Board



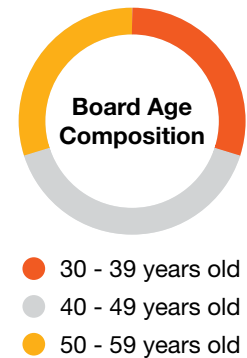
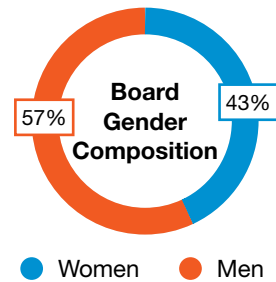
#### MANAGEMENT

##### Chief Executive Officer

- Coordinates and supports the Board to develop the sustainability strategy and recommends implementation of the strategy
- Consolidates sustainability statement and data from the Business Units

### BOARD COMPOSITION AND DIVERSITY

The Group recognises the importance of diversity to enhance decision-making capability and performance of the Group by bringing diverse perspectives. As of FYE 2023, female representation on Wellspire’s Board stand at 43%. Further details of the Board’s composition and diversity are outlined in Wellspire’s Corporate Governance Overview Statement on page 58 and on pages 60 to 61 respectively.









<b>BOD</b>	<ul style="list-style-type: none"> <li>• Independent Non Executive Chairman</li> <li>• Independent Non Executive Director</li> </ul>
<b>BOD</b>	<ul style="list-style-type: none"> <li>• Chief Executive Officer, Executive Director</li> <li>• Executive Director</li> <li>• Executive Director</li> </ul>
<b>BOD</b>	<ul style="list-style-type: none"> <li>• Independent Non Executive Director</li> <li>• Independent Non Executive Director</li> </ul>

# SUSTAINABILITY STATEMENT

## STAKEHOLDER ENGAGEMENT

Our stakeholders are important to us. The Group has a range of stakeholders that have an effect on, or are affected by the Group and its activities. In the previous sustainability statement, we identified 6 stakeholder groups who have materially influenced and impacted the Group’s material activities. For this Statement, we have refined our key stakeholders list to also include the local communities who play a role in the areas we operate in Thailand. The heading “Senior Management” team from the previous list is now consolidated under the “Employees” stakeholder group topic. It is vital for us to listen and acknowledge the feedback and concerns of our stakeholders to ensure their expectations are addressed into the Group’s decision-making processes and business objectives. We strive to establish and maintain consistent communication channels with the stakeholder groups. The table below provides an overview of how the Group engaged and responded to its key stakeholder groups in FYE 2023.

KEY STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREAS OF INTEREST OR CONCERNS	OUR RESPONSE
<b>Investors/ Shareholders</b> 	<b>As and when required</b> <ul style="list-style-type: none"> <li>Press releases/ Announcements</li> <li>Corporate website</li> <li>E-mails</li> </ul> <b>Quarterly</b> <ul style="list-style-type: none"> <li>Financial reports</li> <li>Analyst briefings/meetings</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Financial returns</li> <li>Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Published 1<sup>st</sup> Annual Report in 2023</li> <li>Timely announcements</li> <li>Upholding corporate governance and enhancing internal controls with new policies</li> </ul>
<b>Employees</b> 	<b>As needed</b> <ul style="list-style-type: none"> <li>Internal meetings</li> <li>E-mails</li> <li>Employee engagement activities</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Employee evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration and benefits</li> <li>Health and safety at workplace</li> <li>Career advancement</li> <li>Job satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Feedback Questionnaire</li> <li>Employee engagement activities such as festive celebrations and sports events</li> </ul>
<b>Customers</b> 	<b>Ongoing and as needed</b> <ul style="list-style-type: none"> <li>Meetings</li> <li>Site-visits</li> </ul>	<ul style="list-style-type: none"> <li>Reasonable pricing and affordability</li> <li>Delivery of high-quality products and services</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Feedback Questionnaire</li> <li>Site-visits</li> </ul>
<b>Suppliers &amp; Vendors</b> 	<b>As needed</b> <ul style="list-style-type: none"> <li>Supplier / vendor meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>Ensure suppliers meet or exceed quality standards</li> <li>Timely delivery</li> <li>Offer best pricing and cost efficiency</li> <li>Health and safety of contract workers</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Feedback Questionnaire</li> </ul>
<b>Government and Regulators</b> 	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Business Meetings</li> </ul> <b>As needed</b> <ul style="list-style-type: none"> <li>On-site visits</li> <li>Reports</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with laws and regulations</li> <li>Maintain standards and certification</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with local regulators</li> </ul>
<b>Local Communities</b> 	<b>As needed</b> <ul style="list-style-type: none"> <li>Meetings with local communities and relevant organisations</li> </ul>	<ul style="list-style-type: none"> <li>To create positive impact for the local communities</li> </ul>	<ul style="list-style-type: none"> <li>Both in kind or cash donations and sponsorships</li> </ul>

# SUSTAINABILITY STATEMENT

## MATERIAL MATTERS

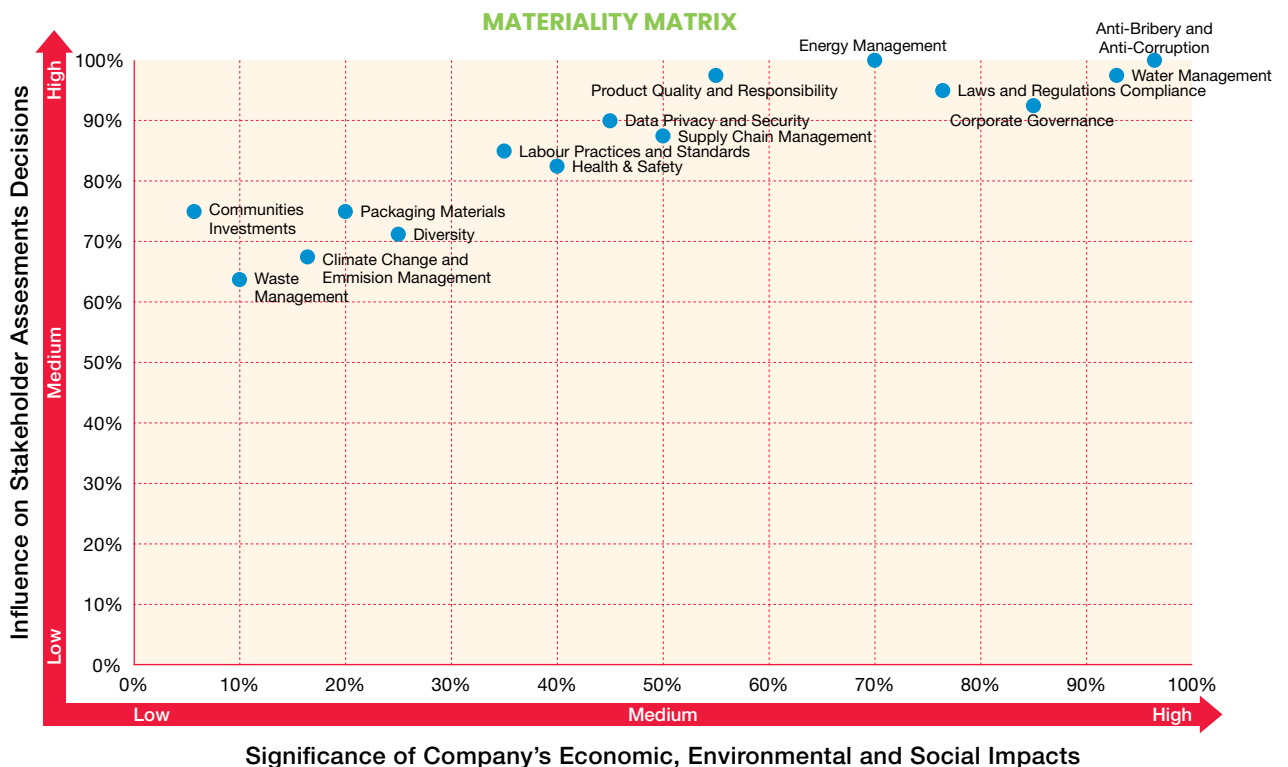
We recognise that material issues may have potential impact on the long-term value for our stakeholders. We have reviewed the material matters in FYE 2023 and with the assistance of an external consultant, we have conducted a limited materiality assessment on a list of material issues relevant to the Group. Moving forward, we intend to assess our material matters on an annual basis to ensure that the sustainability matters remain relevant to the Group’s business and are aligned with stakeholders needs.

The materiality assessment was carried out as follows:

IDENTIFYING RELEVANT MATTERS	PRIORITISE MATERIAL MATTERS	VALIDATE AND COMMUNICATE	REVIEW
Reviewing sources such as Bursa Securities’ common material matters and feedback from internal and external stakeholders	Engagement with stakeholders via Stakeholder Feedback Questionnaire to assess level of influence and importance of each material matter to the Group	Validate matters against stakeholder expectations to identify material matters	Review impact of material matters

We conducted an evaluation through internal deliberations and a stakeholders’ feedback questionnaire to a selected group of our key stakeholders. This assessment was aimed to gauge the level of importance of the proposed material matters which also included the list of material matters under Bursa Securities’ common material matters under the Bursa Securities’ Enhanced Reporting Guide.

Based on the feedback, we set out below in a materiality matrix, the findings from our stakeholders and internal discussions where each of the material matters stand. The materiality assessment process was undertaken by Wellspire and is endorsed by the Board. We identified corporate governance, anti-corruption, compliance with laws and regulations, energy management together with product quality and responsibility, as some key areas of importance for both our stakeholders and the Group. For purposes of this Report, we have excluded packaging materials as a separate topic from the list of outlined in the materiality matrix as the Group requires more time to assess the impacts of packaging materials as a material topic. In addition, the material matter on “Laws and Regulations Compliance” has been repositioned under the Corporate Governance narrative.



# SUSTAINABILITY STATEMENT

## RISK MANAGEMENT

The Board has the overall responsibility for risk management process within the Group to ensure that the Group identifies all of its risks, recorded in the risk register and adequately mitigate action to be taken by the risk owner to achieve a proper balance between risks incurred and potential returns to the shareholder.

The Board has established the Risk Management Committee to review and oversee the Group’s risk management framework and policies and review the risk management framework, policies and processes, which include identifying, managing, monitoring, treating and mitigating significant risks of the Group including looking at those risks that have an impact on the EESG matters and recommend for approval by the Board. The Risk Management Committee is assisted by the Risk Management team, comprising members of the Management, nominated by the Chief Executive Officer.

The Board is also kept abreast with the material EESG-related risks and opportunities disclosed in this Statement. Further information on our risk management, please refer to the Statement on Risk Management and Internal Control (“SORMIC”) section in this Annual Report 2023. The Group is guided by the Risk Management Policy on the overall intentions and direction of the Group related to risk management.

In FYE 2023, we have taken steps to review the identified materiality matters and assessed their risks and opportunities as outlined in the table below. We will continue to review the material matters to see how we can incorporate them into our risk management framework over the coming year.

MATERIAL MATTERS	RISKS	OPPORTUNITIES
<b>Anti-Bribery and Anti-Corruption</b>	<ul style="list-style-type: none"> <li>Non-compliance with anti-bribery, anti-corruption, fraud laws can result in fines and legal consequences;</li> <li>Unethical negative behaviour by employees, management may lead to reputational damage and unethical culture within the Group</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations may increase reputation, lead to more transparent and ethical business operations and maintain trust with stakeholders</li> </ul>
<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>Suppliers failing to comply with the EESG related regulations (environmental or labour laws in Thailand, Malaysia and other regions where the Group carries out business) or involved in unfair labour practices, may expose the Group to legal risks and reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Regular engagement and assessment of suppliers including EESG risks during pre-engagement and evaluation attracts like-minded suppliers and reduce regulatory risks and EESG risks</li> </ul>
<b>Product Quality and Responsibility</b>	<ul style="list-style-type: none"> <li>Poor product quality may lead to product recalls, legal issues, damage to brand reputation</li> <li>Product safety concerns may pose safety risks, loss of consumer trust, reputation damage, non-compliance with safety standards in Thailand</li> </ul>	<ul style="list-style-type: none"> <li>Meeting product quality and safety standards may reduce legal risks</li> <li>High-quality products in the market can increase reputation and customer loyalty and reduce legal risks</li> </ul>
<b>Data Privacy and Security</b>	<ul style="list-style-type: none"> <li>Security lapses may lead to data breaches compromising customer/ employee information and damaging trust and reputation</li> <li>Non-compliance to data protection laws in Malaysia and Thailand may result in fines and penalties;</li> </ul>	<ul style="list-style-type: none"> <li>Effective security measures and management protects critical data and minimises legal risks and maintains trust with customers, employees and other stakeholders;</li> </ul>
<b>Energy Management</b>	<ul style="list-style-type: none"> <li>High energy consumption may lead to reputational damage, high energy costs, contribute to greenhouse gas (“GHG”) emissions</li> </ul>	<ul style="list-style-type: none"> <li>Implementing energy efficient practices may lead to lower energy costs, energy efficient and reduce GHG emissions</li> </ul>



## SUSTAINABILITY STATEMENT

### RISK MANAGEMENT (CONT'D)

MATERIAL MATTERS	RISKS	OPPORTUNITIES
<b>Water Management</b>	<ul style="list-style-type: none"> <li>Water scarcity leads to supply chain disruptions and any misuse or pollution can lead to reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Cost-savings and reduce environmental impact</li> </ul>
<b>Waste Management</b>	<ul style="list-style-type: none"> <li>Non-compliance with disposal and recycling may lead to fines and penalties</li> <li>Poor waste management may lead to damage to ecosystems and reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Efficient waste management may contribute to cost savings</li> <li>Embracing circular economy may create value and reduce environmental impact</li> </ul>
<b>Climate Change and Emissions Management</b>	<ul style="list-style-type: none"> <li>Failure to reduce emissions can contribute to climate-related risks</li> <li>Non-compliance with environmental regulations may lead to fines and penalties</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of climate goals to reduce operational costs by transitioning to renewable energy</li> </ul>
<b>Labour Practices and Standards</b>	<ul style="list-style-type: none"> <li>Poor relations with employees may lead to dissatisfaction resulting in high turnover, low productivity, disruptions in operations, unskilled workforce, exposure to non-compliance of regulations and reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Strong labour practices and good working conditions, attract and retain talent, contributing to a more productive workforce and overall company performance</li> </ul>
<b>Diversity</b>	<ul style="list-style-type: none"> <li>Lack of diversity practices may lead to low morale, higher turnover, poor corporate governance, reputational damage if perceived as a company lacking in diversity</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced reputation and diverse teams bring a variety of perspective</li> </ul>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>Workplace accidents and unsafe practices may lead to operational disruptions, legal consequences resulting in fines, penalties, reputational damage, lower morale and higher turnover rate</li> </ul>	<ul style="list-style-type: none"> <li>Effective safety measures and standards may reduce likelihood of accidents or incidents; enhance reputation, improve operational efficiencies; improve morale and productivity</li> </ul>
<b>Community Investments</b>	<ul style="list-style-type: none"> <li>Negative interactions with community can lead to reputational damage, business disruptions due to resistance from communities, lack of understanding of community needs with ineffective community programmes</li> </ul>	<ul style="list-style-type: none"> <li>Positive long-term impacts for the communities and strengthen relationship with local communities</li> <li>Promote responsible practices across the workforce via meaningful work</li> </ul>
<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>Failure to establish transparent and sound internal controls may pose reputational damage</li> <li>Reputational damage for failing to meet regulatory conditions</li> </ul>	<ul style="list-style-type: none"> <li>Upholding reputation as a responsible business and improve stakeholder confidence and trust</li> <li>Operational costs savings, engagement with regulators increase preparedness for any emerging regulations and uphold reputation</li> </ul>

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY FRAMEWORK





As a step-up from Wellspire’s first sustainability statement, we have initiated a review of the Group’s business practices to align them with the material matters that we have identified. We also took into account our key stakeholders’ interests when addressing these topics. Our sustainability framework outlines the key focus areas where we can contribute positively under each of the following pillars.

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Product Quality and Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Water Management</li> <li>Waste Management</li> <li>Climate Change and Emissions Management</li> </ul>	<ul style="list-style-type: none"> <li>Labour Practices and Standards</li> <li>Diversity</li> <li>Health and Safety</li> <li>Community Investments</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Anti-Bribery and Anti-Corruption</li> <li>Data Privacy and Security</li> </ul>

We have not established any specific targets on the topics we are currently monitoring. However, we will address the gaps in the coming years to ensure that we are able to track the Group’s sustainability performance more effectively and take the necessary measures on areas where improvements are needed.

### United Nations Sustainable Development Goals

As previously reported, the Group has identified 4 United Nations (“UN”) Sustainable Development Goals (“UN SDGs”) as a basis to align with the Group’s sustainability practices. The Group aims to promote the identified UN SDGs through some of the Group’s sustainability practices as follows:

UN SDGS	MATERIAL MATTERS	GROUP’S EFFORTS TO ALIGN WITH UN SDGS
 <p><b>Goal 3:</b> <b>Good health and well-being</b> Ensure healthy lives and promote well-being for all at all ages.</p>	<ul style="list-style-type: none"> <li>Labour Practices and Standards</li> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Promoting health and safety practices across the Group through training and awareness building</li> <li>Maintaining zero fatalities rate in FYE 2023</li> </ul>
 <p><b>Goal 8:</b> <b>Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> <li>Labour Practices and Standards</li> <li>Diversity</li> </ul>	<ul style="list-style-type: none"> <li>Fair remuneration and benefits provided to employees across the Group</li> </ul>
 <p><b>Goal 12:</b> <b>Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Water Management</li> <li>Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>Development of Sustainability Policy and Environmental Policies in FYE 2023</li> <li>Initiating water, waste and electricity consumption practices and monitoring mechanisms</li> <li>Progressively adopting sustainable practices and aligning them with the reporting cycle by publishing an annual Sustainability Statement</li> </ul>
 <p><b>Goal 16 :</b> <b>Promote just, peaceful and inclusive societies</b></p>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Anti-bribery and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Established an Anti-corruption and Anti-bribery Policy and Whistle-blowing Policy from FYE 2022</li> <li>Building awareness on anti-corruption via the Group-wide online workshop in FYE 2023</li> </ul>

## SUSTAINABILITY STATEMENT

### MATERIAL MATTERS



## ECONOMIC

### SUPPLY CHAIN MANAGEMENT

91.50% of the Group's products are sourced from Bai Li's local supplier in Thailand. We consider the products from our suppliers based on their quality, price and geographical proximity. We collaborate with like-minded business partners, who can contribute to time and cost savings, enhance customer satisfaction and improve overall efficiency.

#### Supplier evaluation



At Bai Li, the internal team will evaluate the supplier's performance encompassing aspects such as quality, services, pricing, delivery timelines and interactions with the Bai Li team. The assessment criteria currently do not incorporate ethical sourcing, environmental or social elements, which we will consider in the forthcoming years.

### LOCAL PROCUREMENT AND SUPPLY CHAIN

The Group's procurement and supply chain practices are mainly performed in Thailand. Wellspire is continuously improving its general purchasing and procurement policy to outline a better tender process for vetting external providers. This requires all parties at every level of the process to be transparent from pre-qualification until the award and post-project evaluations. Procurement department conducts review on new suppliers to ascertain if they are competent based on financial checks, track record, background, tax compliance and compliance to legal requirements. At the same time, Wellspire actively seeks out options and alternatives from a diversified list of vendors to ensure its tender process remains robust, transparent and cost effective.

### PRODUCT QUALITY AND RESPONSIBILITY

As a company dealing with consumer foods, we place importance on ensuring safety and quality of the food distributed throughout our operations. All our products purchased from our suppliers must carry a Food and Drug Administration license issued in Thailand. For every new product, we ensure samples undergo testing at certified laboratories. Additionally, samples from overseas purchases will be sent for quality testing for each received batch.

#### Customer Satisfaction and Complaints Handling

Bai Li's sales department is responsible to manage complaints received from our customers. Any customer feedback is typically gathered during the teams' visits and meetings at the customer sites. The Group has not established a formal channel or system to capture customer complaints or assess customer satisfaction levels as at the date of this Statement.

#### Product Recalls

Ensuring excellence of our products is a priority for us. In the event we find serious product quality issues or damage detected in the products or if there are concerns about potential adverse reactions of the products from consumers, we have established efficient procedures to promptly recall the products.

FYE 2023

Number of recalls issued due to health and safety reasons

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# SUSTAINABILITY STATEMENT



## ENVIRONMENTAL

In line with the Sustainability Policy, the Group adopted an Environmental Policy, reinforcing the Group's dedication to environmental stewardship. In FYE 2023, the Group did not receive any fines or penalties in relation to any environmental laws or regulation in the areas where the Group operates.

### ENERGY MANAGEMENT

The Group is committed to minimise its energy consumption through energy-efficient technologies and practices in its operations. We rely on various sources of energy to run our businesses such as electricity and fuel to operate our trucks and company vehicles and the on-site generator in our warehouse.

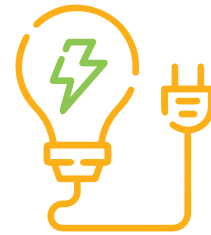
#### Electricity Consumption

Bai Li and Keymall currently rent their warehouse and office premises in Thailand from Bai Li's landlord, SW Enterprise Co., Ltd. ("SW Enterprise"), a related company of Bai Li. The electricity charges are included as part of the rental payment to SW Enterprise. With efforts to improve the Group's sustainability practices, Bai Li and Keymall have taken steps to monitor their own electricity consumption from this financial reporting year.

Some of the energy efficiency measures in place at our Thai operations include:

- utilising energy saving LED lights in the warehouses and office building
- auto sensors lighting installed outside the warehouse to automatically activate or deactivate based on the daylight hours

In FYE 2023, the total electricity consumption for the Group is 259.573 Mwh or 259,573 kWh.



	UNIT	FYE 2023
Total Electricity Consumption	MWh	259.573



#### Fuel Consumption

A significant number of the transportation vehicles utilised by Bai Li is sourced from third parties in Thailand. The Group is currently assessing the methods to track the fuel consumption associated with the transportation of our goods throughout the value chain in Thailand. Diesel currently is also used to operate an on-site generator at Bai Li's warehouse.

#### Total Energy Consumption

	UNIT	FYE 2023
Total Energy Consumption	Gigajouless	934.463

Note: Electricity is the main source of energy currently consumed and monitored by our Group.

## SUSTAINABILITY STATEMENT



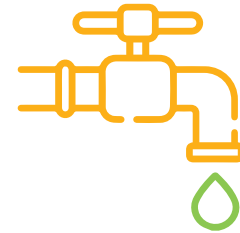
### ENVIRONMENTAL (CONT'D)

#### WATER MANAGEMENT

Water is a finite resource and its availability is essential to operate sustainable business across various industries. The Group is committed to protect the environment through the efficient use of resources and compliance with environmental laws and regulations.

The Group will strive to implement water conservation measures including monitoring and minimising water wastage in the operations and promoting water-saving measures and initiatives. At our Thai operations, water is sourced from the local water operator, Provincial Waterworks Authority. At the Group's headquarters in Malaysia, we rely on water sourced from the local water company, Air Selangor. Bai Li and Keymall currently rent their warehouse and office premises from SW Enterprise Co.,Ltd. The monthly water charges incurred by Bai Li and Keymall are integrated into the monthly rental fees payable to SW Enterprise.

As at 31 December 2023, the Group consumed a total of 3,178,000 cubic metres (m<sup>3</sup>) of water across its operations.



UNIT FYE 2023

	UNIT	FYE 2023
Total Water Consumption	m <sup>3</sup>	3,178,000

*Note: For this reporting year, Wellspire recorded its water consumption mainly from its Thai operations.*

#### WASTE MANAGEMENT

We recognise that waste generated by our operations may have adverse environmental impacts. Such consequences could harm the Group's reputation and lead to regulatory non-compliance and associated penalties. The Environmental Policy outlines the Group's commitment to adopt proper waste management practices including waste segregation and recycling activities with the aim of reducing waste sent to landfill.

The waste generated from our Thai operations are categorised by obsolete goods (food waste that are

damaged or expired) or packaging waste which include plastic wrap, paper and cardboard carton boxes. The obsolete inventory is stored in a designated area and is annually collected and sent to a landfill by an authorised waste collector. Packaging waste such as plastic wrap and paper and carton boxes are stored separately and later disposed through waste collector. For Keymall, which is an online retailer, the main waste generated are derived from the packaging materials such as plastic, cardboard boxes and paper.

In FYE 2023, we did not actively monitor the waste generated from our operations. However, we are currently in the process of reviewing how best to monitor the waste generated from our operations to improve our future disclosures on waste management.



#### CLIMATE CHANGE AND EMISSIONS MANAGEMENT

The Group is committed to improve the efficiency of the Group's businesses and operations to minimise pollution and GHG emissions. The Group recognises the need to be relevant and develop a transition plan towards a low carbon economy through its operations and across its value chain. The Group will work towards identification, assessment and management of climate change impacts and determine the potential opportunities for the Group in the coming years. The Board has overall oversight on all sustainability-related matters and will be supported by the senior management to oversee and execute the transition plan.

# SUSTAINABILITY STATEMENT



## ENVIRONMENTAL (CONT'D)

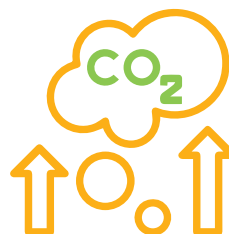
### CLIMATE CHANGE AND EMISSIONS MANAGEMENT (CONT'D)

#### Emissions Management

For this Statement, we have collated data from the Group's electricity consumption in FYE 2023, which will enable Wellspire to report on its indirect Scope 2 GHG emissions. Scope 2 GHG emissions are mainly contributed from the consumption of purchased electricity from the warehouse facility, the offices in Thailand and the head office in Malaysia.

We will continue to review other activities in our operations and value chain to assess the impacts of GHG emissions. This will help us disclose on the direct Scope 1 (such as use of diesel to operate our forklifts) and indirect Scope 3 GHG emissions (such as business travel and employee commute) more accurately.

The table below provides the indirect Scope 2 GHG emissions generated by the Group in FYE 2023:



#### BREAKDOWN

	UNIT	FYE 2023
		Amount
Indirect (Scope 2) GHG emissions <sup>(1)</sup>	CO <sub>2</sub> e (tonnes)	106.34

#### Notes:

- Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard using the operational control and consolidation approach. The emissions factor for electricity grids in Thailand as reported by the Energy Policy and Planning Office, Ministry of Energy is 0.407kgCO<sub>2</sub>e/kWh in 2022 and for Peninsular Malaysia, sourced from the latest published grid emission factor by the Malaysian Energy Commission is 0.758 kgCO<sub>2</sub>e/kWh.

## SUSTAINABILITY STATEMENT



### SOCIAL

## EMPLOYEE MANAGEMENT

### LABOUR PRACTICES AND STANDARDS

Our employees are our biggest assets to drive business growth across the Group's operations, for now and in the future. The Group's has internal processes to monitor the manpower requirements of its workforce. This includes among others, procedures to handle recruitment, onboarding action and resignation, disciplinary action and termination. The Human Resources ("HR") department in each of our entities is responsible to monitor and oversee their respective HR data records.

#### Recruitment and Onboarding

The Group does not have a formalised orientation programme for new employees. However, there are basic onboarding processes and practices to ensure a smooth transition for new employees to assimilate into their roles upon joining any of the entities within the Group.

#### Performance Management and Appraisals

We conduct an annual performance appraisal for our employees to evaluate their performance during the year.

#### Employee Engagement Activities

In FYE 2023, Bai Li's employees participated in several employee engagement activities in Thailand, which include:

- Festive celebrations – Chinese New Year gathering
- Sporting Event – Football matches held in June and a Sports Day held in September involving Bai Li's and Keymall's employees

These activities were aimed to foster closer relationship among the teams and departments.

The Group mainly communicates with their employees through emails or instant messaging platforms commonly used in Thailand.

#### Human Rights

The Group does not engage in any form of child or forced labour across in its employment practices. In FYE 2023, the Group did not receive any substantiated complaints concerning human rights violations.

Below are the details of the employment data for the Group:

#### Total Number of Employee Turnover by Employee Category

EMPLOYEE CATEGORY	FYE 2023
Management	-
Executive	31
Non-executive/Technical Staff	-
<b>Total</b>	<b>31</b>



# SUSTAINABILITY STATEMENT



## SOCIAL (CONT'D)

### LABOUR PRACTICES AND STANDARDS (CONT'D)

#### Upskilling and reskilling

To date, there is no planned training programmes in place for the employees within the Group. However, in FYE 2023, we have provided safety and traffic training for our truck and forklift drivers.

Bai Li and Keymall offers internship programmes twice a year to undergraduate students from Thai universities, each lasting approximately 3 to 4 months per cycle. These internship programme covers different functions including logistics, marketing and administration departments.

In FYE 2023, employees from the Group participated in 876 hours of training, in internal and external learning and development programmes.

Below is an overview of the Group's training performance in FYE 2023:



▶ Total number of hours of training received by employees

#### Total Number of Training Hours by Employee Category



EMPLOYEE CATEGORY	FYE 2023
Management	12
Executive	208
Non-executive/Technical Staff	656
<b>Total</b>	<b>876</b>
	<b>FYE 2023</b>
Overall average training hours per employee (hours)	9

Members of the Board also attended training in FYE 2023 to continue their professional development and enhance their knowledge on the latest developments including training on sustainability practices. Further information of the Directors' training is outlined in the Corporate Governance Overview Statement in this Annual Report 2023.



# SUSTAINABILITY STATEMENT



## SOCIAL (CONT'D)

### DIVERSITY

The Group is committed to promote a diverse and inclusive workplace. Having a diverse workforce empowers a work culture that attracts and retains talent to bring diverse views across the organisation.

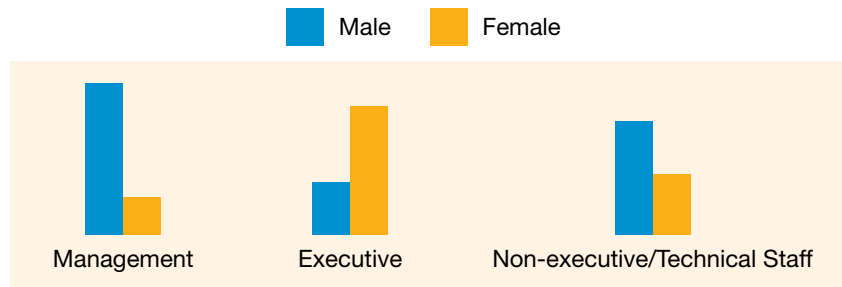
The total workforce for the Group as at 31 December 2023 is 100 employees, which is a slight increase from the number of employees reported for the Thai (90) and Malaysian (5) employees in FYE 2022. As at 31 December 2023, the Group recorded 98% permanent employees and 2% contractual employees.

#### Gender Diversity

% OF EMPLOYEE BY GENDER



% OF EMPLOYEES BY GENDER FOR EACH EMPLOYEE CATEGORY

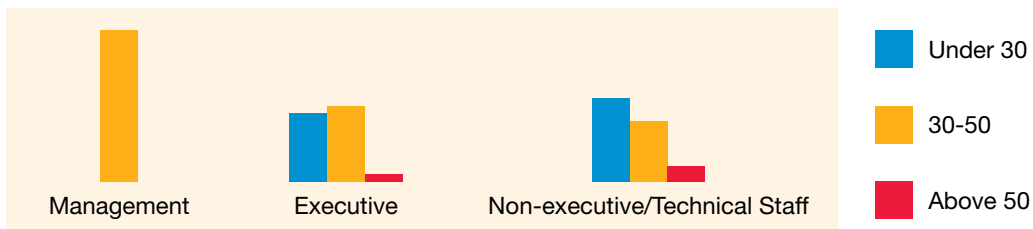


**FYE 2023**

	Management	Executive	Non-executive/ Technical Staff
Male	83	30	66
Female	17	70	34

#### Age Diversity

% OF EMPLOYEES BY AGE GROUP EACH EMPLOYEE CATEGORY



**FYE 2023**

	Management	Executive	Non-executive/ Technical Staff
Under 30	-	45	55
30-50	100	50	38
Above 50	-	5	7

# SUSTAINABILITY STATEMENT



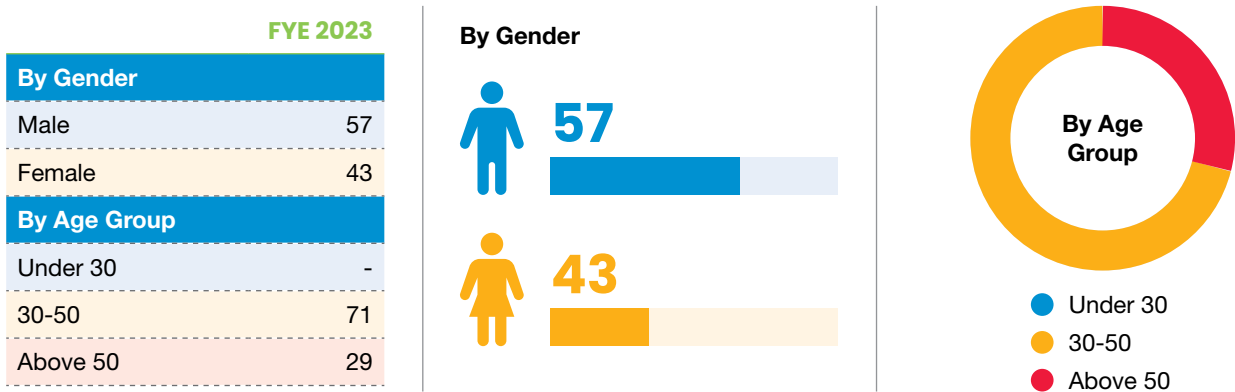
## SOCIAL (CONT'D)

### DIVERSITY (CONT'D)

#### Age Diversity (Cont'd)

The current Board diversity representation in FYE 2023 is summarised as follows:

#### % OF BOARD DIVERSITY BY GENDER AND AGE GROUP



For further details on the Board, please refer to pages 60 to 61 of the Corporate Governance Overview Statement in this Annual Report 2023.

### HEALTH AND SAFETY

As a responsible employer, we must ensure a safe working space for our employees to prevent any injuries or illnesses from our operations. In line with the Sustainability Policy, the Group has established a Health and Safety Policy to outline the high standards or health and safety practices for the Group. The Group is committed to provide a healthy, safe and conducive workplace for our employees, contractors, customers, visitors and other stakeholders. Bai Li's Head of Department of Warehouse, currently oversees all the health and safety measures for both Bai Li and Keymall in Thailand.

There are several measures in place to ensure that our employees prioritise safety in their day-to-day activities in our Thai operations. We have placed signages around the warehouses to remind employees to wear protective gears, stay within the speed limit when driving within the facility compounds and be reminded of where the fire exits are located. Every morning, safety briefings are held to reinforce the importance of safety among our drivers and employees. As part of Bai Li's and Keymall's emergency readiness at site, we annually conduct 1 fire safety training for our employees to ensure adherence to fire safety regulations in Thailand.

In FYE 2023, the Thai operations team carried out a safety campaign to reward drivers who did not receive any warning, penalty or fines during the financial year under review. This initiative aimed to advocate responsible driving practices among the truck drivers, prioritising safety on the road.

There is no medical facility on site at our Thailand operations. However, we are prepared to send our employees who require immediate medical assistance to the nearest medical facility.

#### Health and Safety Trainings

In FYE 2023, a total of 72 participants were given various training on health and safety standards.



► Number of employees trained on health and safety standards

# SUSTAINABILITY STATEMENT



## SOCIAL (CONT'D)

### HEALTH AND SAFETY (CONT'D)

#### Work-related Injuries

We strive to continuously improve the delivery of health and safety standards and processes to eliminate hazards and reduce risk of work-related injuries at site. The Group remains committed in maintaining zero fatalities year on year by preventing and minimising any workplace related incidents.

HEALTH AND SAFETY PERFORMANCE INDICATORS	FYE 2023
Total Hours Worked	200,000
Lost Time Incident Rate (LTIR)	-
Number work-related fatalities	-
Number of lost-time injuries	-



▶ In FYE 2023, the Group recorded zero work-related injuries that occurred during working hours.

### COMMUNITY INVESTMENTS

We believe that the Group’s success can be further enhanced through active community engagement and collaboration in the regions where it operates. The operations team in Thailand engaged in various corporate social responsibility initiatives during the FYE 2023. Their efforts included donations, both in kind and in cash to advance educational causes through an education fund and to local schools in remote areas in Thailand. Additionally, the Thai team provided donations to a local hospital for their medical needs.



▶ Photo image : Sponsoring gifts during Children’s Day for children located in remote areas of Thailand.



▶ Photo image : Provision of food donations to the local communities surrounding the Thai operations



▶ Photo Image : Donations to a school in a remote location in Thailand

## SUSTAINABILITY STATEMENT



### SOCIAL (CONT'D)

#### COMMUNITY INVESTMENTS (CONT'D)

In the coming years, the Group aims to continue to carry out initiatives, which include providing food and essential items to children, as well as offering scholarships to eligible students in schools located in remote locations in Thailand. Bai Li team engage with the local authorities to identify groups who are in need of assistance.

Currently, Wellspire does not set any budget on its community investment programmes. However, the Group will review its current initiatives and consider ways to streamline the Group's efforts through a structured programme to create a positive impact in the regions where the Group operates. We will then also have more clarity on the number of beneficiaries that we have supported through the Group's community investments.

In FYE 2023, the Group contributed a total of RM30,503 or equivalent to Thai Baht 232,721, as part of its community investment initiatives.



**RM  
30,503**  
COMMUNITY  
INVESTMENTS  
FYE 2023

- ▶ Total amount invested in the community where the target beneficiaries are external



### GOVERNANCE

#### CORPORATE GOVERNANCE

We are committed to act in the best interests of our stakeholders, by adhering to the highest standards of corporate governance and implementing best practices that reflect our commitment towards transparent and accountable practices. More details on Wellspire's corporate governance practices are set out in the Corporate Governance Overview Statement in this Annual Report 2023.

The Group adheres to the relevant laws and regulations in the respective jurisdictions where it carries on business. Failing to do so, will subject the Group to potential fines, penalties or sanctions, resulting in reputational damage. As at 31 December 2023, there were no significant incidences of non-compliance with any laws or regulations involving the Group.



#### ANTI-CORRUPTION

Combating corruption must be prioritised to promote sustainable development. The Group is committed to prohibit bribery and corruption practices that may occur in the business conduct within the Group. Wellspire's Anti-Bribery and Anti-Corruption ("ABAC") Policy and Guidelines ("ABAC Policy") outlines the policies and procedures that apply to the directors, employees, suppliers and other stakeholders on Wellspire's stance and strict adherence to the ABAC Policy and Guidelines, which is in line with the Malaysian Anti-Corruption Commission ("MACC") Act 2009. The Audit Committee provides the oversight on the anti-corruption risk assessment for Wellspire.

The Group does not have any formal training programmes on the ABAC Policy. However, in December 2023, the Group organised an online anti-corruption workshop conducted by a MACC officer in Malaysia for all the employees of the Group to attend. Wellspire aims to make available more training for all employees to attend on a regular basis for a better understanding of the ABAC Policy. Wellspire did not undertake any anti-corruption risk assessment that covers all our operations within the Group in FYE 2023.

## SUSTAINABILITY STATEMENT



### GOVERNANCE (CONT'D)

#### ANTI-CORRUPTION (CONT'D)

##### Anti-corruption-related training

As at 31 December 2023, the following is the breakdown by employee category of the training received by the Group's employees on anti-corruption:

% OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION BY EMPLOYEE CATEGORY		FYE 2023
(i)	Management	6
(ii)	Executive	20
(iii)	Non-executive/Technical	68

##### Corruption incidences

As at 31 December 2023, there were zero incidents of corruption recorded across the Group.



► Number of confirmed incidents of corruption and action taken

##### Whistleblowing Channels

We encourage our employees, directors and associates to commit to the highest possible standards of ethical, moral and legal conduct. Consistent with this commitment, the Whistleblowing Policy aims to support good management practices and sound corporate governance practices within Wellspire.

The Whistleblowing Policy aims to provide a structured mechanism for its employees, directors and associates to raise any suspected or known misconduct, wrongdoings, corruption and instances of fraud, waste or abuse involving the resources of Wellspire to provide reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.

For the purposes of this Policy, the wrongful activities or wrongdoings refer to any potential violations or concerns relating to any laws, rules, regulations, acts, ethics, integrity and business conduct, including any violations or concerns relating to malpractice, illegal, immoral, embezzlement and fraudulent activities which will affect the business and image of Wellspire.

Both the Group's ABAC Policy and Whistleblowing Policy are available on Wellspire's website.

As at 31 December 2023, there were no reports made via the whistleblowing channels.

#### DATA SECURITY AND PRIVACY

With cyber threats becoming more prevalent in this business environment, it is vital for the Group to ensure a robust information technology framework to strengthen and manage its data security and privacy practices. Security lapses may lead to data breaches that may result in damage to our reputation and non-compliance to regulatory matters in relation to personal data or data privacy in Malaysia or Thailand. The Group recognises that there is still a lot for us to do under this material matter and aim as a first step, to enhance our policies on our cyber security practices.

As at 31 December 2023, there were zero substantiated complaints concerning breaches of customer privacy or losses of customer data.



► Number of substantiated complaints concerning breaches in customers privacy or data loss

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Wellspire Holdings Berhad (“Company” or “Wellspire”) presents this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board during the financial year ended 31 December 2023 (“FYE 2023”) and up to the date of this statement. This overview takes guidance from the key corporate governance principles as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”).

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

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](http://www.wellspireholdings.com).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### THE ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is determined to fulfill its duty of overseeing, guiding, and monitoring the Company’s direction with the aim of increasing sustainable value over the long term, in line with shareholders’ interests. This includes considering the long-term welfare of all stakeholders, such as shareholders, employees, customers, business partners, and local communities where the Company operates.

The Board’s primary commitment is to oversee the Company’s business and to ensure it operates in a way that supports sustainability, integrity, and complies with all the necessary laws and regulations. Hence, the Board examines the Company’s strategy during the annual budget meeting. It also ensures that good corporate governance policies and practices are implemented within the Group. The specific responsibilities of the Board are outlined in the Board Charter, which you can find on the Company’s website at <https://www.wellspireholdings.com>

A framework of delegated authority is in place consistent with the structure of delegation below the Board level.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### ***THE ROLES AND RESPONSIBILITIES OF THE BOARD (CONT'D)***

The Board delegates responsibility for the day-to-day operation of the businesses to Mr. Mo Guopiao, the Chief Executive Officer ("CEO") who is assisted by Senior Management.

#### ***SEPARATION ROLES OF THE BOARD CHAIRMAN AND CEO***

YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah, leads the Board as the Independent Non-Executive Chairman. The Chairman provides leadership and is responsible for promoting good corporate governance practices, as well as ensuring the Board operates efficiently in order to achieve the corporate goals of the Company and Group.

There is a clear division of responsibilities at the helm of the Company to ensure a balance of authority and power. The roles of Chairman and the CEO are kept separate and distinct, with different individuals holding each position. This is to ensure accountability and maintain a balance of power and authority, preventing any one person from having unchecked decision-making authority. 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.

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 Saranjit Wang and Kua Chin Teck, the Executive Directors and Tin Jiing Soon, the Chief Financial Officer ("CFO").

#### ***ROLES AND RESPONSIBILITIES OF INDEPENDENT AND NON-INDEPENDENT DIRECTORS***

The Independent Non-Executive Directors role is to review the progress of the Management in delivering the performance targets of the Company 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.

Meanwhile, the Executive Directors are responsible for providing leadership in terms of management of the Group and overseeing the day-to-day operations within their specific areas of expertise or assigned responsibilities.

#### ***ROLES AND RESPONSIBILITIES OF THE COMPANY SECRETARIES***

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.

The Company Secretaries develop Board and Board Committees' agendas and collate and distribute papers, ensure compliance with Board procedures and advise on regulatory compliance and corporate governance. The Chairman and committee chairs work alongside the Company Secretaries to set the agendas for upcoming meetings, ensuring that information shared with the Board is timely, comprehensive, and conducive to deliberate without being excessively unwieldy. All papers are required to be presented in a clear and concise format, with supporting material.

Further, they facilitate induction programmes for Directors, assist with their training and development as required and are responsible for communications with shareholders and the organisation of the Annual General Meeting. They also ensure all Board meetings are accurately minuted and records are kept.

All Directors have unrestricted access to the advice and services of the Company Secretaries. 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

#### **Access to Information and Advice**

All Directors are entitled to unrestricted access to Group-related information, including the ability to consult with the Company's auditors, consultants, and Company Secretaries. This access is to ensure that directors can fulfil their duties with comprehensive knowledge on the matters under consideration, and all associated expenses will be covered by the Company.

#### **Board Charter**

The Board Charter is a comprehensive reference document for Directors on matters relating to the Board, its structure, and its processes. The roles and responsibilities of the Board, the individual Directors, the Chairman, the CEO and the Company Secretary are also detailed in the same. 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.

### ***CORPORATE INTEGRITY***

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

Building an ethical culture is one of the primary objectives of the Board and the tone has to be set at the top. The Company has a Directors' Code of Conduct and Business Ethics ("Code") which provides guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligation during their appointment.

Additionally, the Company has implemented a comprehensive Whistleblowing Policy ("WBP") that enables all employees and stakeholders to report suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices, or abuse in a timely manner. The objective of this policy and procedure is to provide a mechanism for employees and stakeholders of the Group to report concerns, without fear of retaliation, for Management to take appropriate action. To encourage disclosure of any improper conduct, 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 and WBP are available for reference on the Company's website at <https://www.wellspireholdings.com>.

#### **Anti-Bribery and Anti-Corruption Policy**

The Group holds a zero-tolerance policy towards all forms of bribery and corrupt practices. Hence, the Company has implemented its own Anti-Bribery and Anti-Corruption Policy and Guidelines ("ABAC 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 dedicated to ensuring that its subsidiaries and employees behave with honesty and ethics, upholding the utmost standards of integrity, and complying with all pertinent laws and regulations, as well as relevant legislation. A copy of the ABAC Policy (which should be read in conjunction with the Code and WBP) is available on the Company's website at <https://www.wellspireholdings.com>.

#### **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 67 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 76 of this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### SUSTAINABILITY AND THE BOARD

The Company has taken steps to strengthen the Group's sustainability endeavours by identifying gaps and formulating policies in key areas. The Company established a Sustainability Policy in FYE 2023 to provide a framework to address the sustainability practices for the Group. The Policy aims to, among others, promote sustainable practices and integrate the sustainability risks and opportunities into the Group's strategies to ensure Group's activities and businesses are aligned to create long-term sustainable value for the business, shareholders and other stakeholders.

The Board has delegated to the CEO, to assist the Board with the strategic direction on sustainability matters while being supported by the Group's key management team. The Board will consider formalising the establishment of a Sustainability Committee in the near future.

#### BOARD COMPOSITION

The Board presently consists of seven (7) members, consisting of three (3) Executive Directors and four (4) Independent Non-Executive Directors. Hence, this is in line 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' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah	Independent Non-Executive Chairman	15 March 2022	39	Male	Malaysian
Mo Guopiao	CEO/ Executive Director	6 August 2021	43	Male	Singaporean
Saranjit Wang	Executive Director	1 March 2022	44	Female	Thai
Kua Chin Teck	Executive Director	1 March 2022	42	Male	Malaysian
Tang Yuen Kin	Independent Non-Executive Director	15 March 2022	53	Male	Malaysian
Fazidah Bt Zakaria	Independent Non-Executive Director	15 March 2022	56	Female	Malaysian
Yang Shing Sing	Independent Non-Executive Director	15 March 2022	36	Female	Malaysian

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

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.

The Board acknowledges the recommended limit of nine (9) years for the tenure of an Independent Director, as advised by the MCGG. Additionally, it recognises that an Independent Director may only remain on the Board beyond this tenure if they are reclassified as a Non-Independent Non-Executive Director upon completing the nine (9) years. This policy is prescribed in the Board Charter. None of the Directors have exceeded the nine (9) years tenure.

#### BOARD MEETINGS

There were five (5) board meetings held for the FYE 31 December 2023.

During the FYE 31 December 2023, the following activities took place at the Board Meetings: -

<b>Financial Reporting</b>	The Board reviewed the quarterly financial results tabled by the Audit Committee for the board to review and approve. Material variances were discussed.
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## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### BOARD MEETINGS (CONT'D)

During the FYE 31 December 2023, the following activities took place at the Board Meetings: - (cont'd)

<b>External Auditors</b>	<p>The Board reviewed the Audit Completion Report presented by the external auditors, BDO PLT.</p> <p>Having considered the Audit Committee's assessment of the independence and suitability of the External Auditors and as recommended by the Audit Committee, the Board resolved to recommend the re-appointment of BDO PLT as External Auditors of the Company for the financial year ending 2023 to the shareholders for approval at the 1<sup>st</sup> AGM of the Company.</p>
<b>Internal Auditors</b>	<p>As recommended by the Audit Committee, the Board had appointed ShineWing TY Teoh Risk &amp; Governance Sdn. Bhd. as the internal auditor ("IA") of the Company. The Board also approved the Internal Audit Plan presented by the IA.</p>
<b>Related Party Transaction</b>	<p>The Board took note of the related party transactions and recurrent related party transactions ("RRPTs") presented by management.</p>
<b>Enhanced Sustainability Reporting</b>	<p>The Board was briefed on the sustainability reporting plan for FYE 2023 and the updates of sustainability reporting by Bursa Securities. The Board was informed that the Company was in the midst of evaluating which consultant to appoint to assist the Group in establishing their sustainability framework.</p>
<b>Re-election of Directors</b>	<p>The Board discussed the re-election of Directors who are retiring by rotation in accordance with Clause 77(3) of the Constitution of the Company at the 1<sup>st</sup> Annual General Meeting. All directors are being re-assessed pursuant to the Fit and Proper Policy adopted by the Company.</p> <p>Based on the result, the Board noted that all the Retiring Directors meet the criteria prescribed by Rule 2.20A of the AMLR on character, experience, integrity, competence and commitment to effectively discharge their roles as Directors.</p>
<b>Training for Directors and Senior Management</b>	<p>The Board took note of the latest training available and will further discuss with Management on the training courses for the Board members and senior management of the Company.</p>
<b>Risk</b>	<p>Pn Fazidah, the Chairperson of the Risk Management Committee ("RMC") updated the Board on the Enterprise Risk Management Framework, Policies and Process. The Board approved the Risk Management Policy and the same has been uploaded to the Company's website.</p>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### BOARD MEETINGS (CONT'D)

##### Attendance at Board meetings as at 31 December 2023

Directors	Attendance
YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah	5/5
Mo Guopiao	5/5
Saranjit Wang	5/5
Kua Chin Teck	5/5
Tang Yuen Kin	5/5
Fazidah Bt Zakaria	5/5
Yang Shing Sing	5/5
Date of Board Meetings: 22 <sup>nd</sup> Feb 2023, 19 <sup>th</sup> April 2023, 30 <sup>th</sup> May 2023, 28 <sup>th</sup> August 2023, 28 <sup>th</sup> November 2023	

#### BOARD COMMITTEES

Several Board Committees are set up to aid the Board in fulfilling its fiduciary obligations and responsibilities. The Board delegates specific duties to its Committees, ensuring they operate according to predefined terms of reference. 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>.

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

#### BOARDROOM DIVERSITY

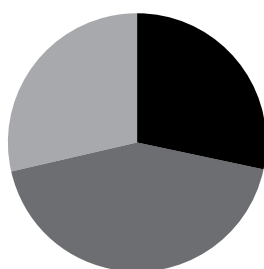
The Board is committed to promoting diversity in its membership, including gender, ethnicity, age, skill sets and experience. It strives to maintain the right balance for the effective functioning of the Board. The Company have upheld a 30 percent representation of women directors, valuing their fresh perspectives and contributions thus meeting 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)

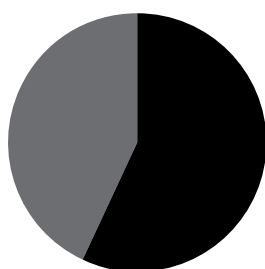
#### BOARDROOM DIVERSITY (CONT'D)

Age Diversity



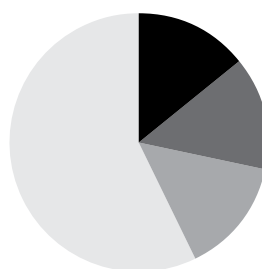
- 30 - 40 years
- 41 - 50 years
- 51 - 60 years

Gender Diversity



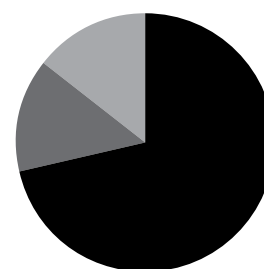
- Male
- Female

Skills & Experience



- Business
- Entrepreneur
- Science
- Accounting

Nationality



- Malaysian
- Thai
- Singaporean

#### INDUCTION AND TRAINING FOR BOARD MEMBERS

The Company believes that it is essential that its Executive and Independent Directors are equipped with the knowledge and skills required to navigate the challenges and opportunities that lie ahead. To achieve this, the Company encourages initiatives such as training sessions, knowledge-sharing sessions, and briefings from subject matter experts.

The following are attendance records of Directors participation in conferences, courses, seminars and training programmes during the FYE 31 December 2023:

Name	Courses/ Training Programmes
YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah	1. MACC of Pn Tan Li Chu - Kesedaran Undang-Undang Pencegahan Rasuah (Akta SPRM 2009)
Mo Guopiao	1. MACC of Pn Tan Li Chu - Kesedaran Undang-Undang Pencegahan Rasuah (Akta SPRM 2009)
Saranjit Wang	1. MACC of Pn Tan Li Chu - Kesedaran Undang-Undang Pencegahan Rasuah (Akta SPRM 2009)
Kua Chin Teck	1. MACC of Pn Tan Li Chu - Kesedaran Undang-Undang Pencegahan Rasuah (Akta SPRM 2009)
Tang Yuen Kin	1. IMBA Program, University of Illinois at Urbana-Champaign, United States of America 2. Post Graduate Program in Data Science and Business Analytics by the McCombs School of Business, University of Texas at Austin, United States of America 3. BDO Tax Seminar on Budget 2024 4. MACC of Pn Tan Li Chu - Kesedaran Undang-Undang Pencegahan Rasuah (Akta SPRM 2009)
Fazidah Bt Zakaria	1. ISSB Corporate Reporting Webinar - Better information for better decisions 2. Consultant Content Program 3. Sustainability Reporting by MIA 4. JC3 Journey to Zero Conference 2023 5. JRC Webinar with Jonathan Labrey - Are You Ready for the Future of Corporate Reporting 6. MACC of Pn Tan Li Chu - Kesedaran Undang-Undang Pencegahan Rasuah (Akta SPRM 2009)
Yang Shing Sing	1. MACC of Pn Tan Li Chu - Kesedaran Undang-Undang Pencegahan Rasuah (Akta SPRM 2009)

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### **NOMINATING AND REMUNERATION COMMITTEE ("NRC")**

The NRC comprises three (3) members, all of whom are independent non-executive directors which are as follows:

Name of members	Membership	Attendance at Meetings	%
Yang Shing Sing	Chairperson	1/1	100
Fazidah Bt Zakaria	Member	1/1	100
Tang Yuen Kin	Member	1/1	100
Date of Meetings:	19 <sup>th</sup> April 2023		

The NRC is responsible for reviewing the composition, size and diversity of the Board. It ensures that the Board comprises Directors with appropriate skills, knowledge, expertise and experience as well as ensuring a proper balance between Executive Directors and Independent Non-Executive Directors. This is in accordance with the Board Charter.

The NRC's nominating functional also involves conducting an annual evaluation of the necessary blend of skills, experience, and core competencies that Non-Executive Directors should contribute to the Board.

The NRC also advises the Board on matters relating to the remuneration of the Board and senior management in order to retain and attract the best talents.

For the appointment or re-election of directors, the NRC assesses the candidate's independence in accordance with AMLR, his/her time commitment, potential contribution as well as meeting the criteria of the Directors's Fit and Proper Policy which is made available on the Company's website at <https://www.wellspireholdings.com>.

The NRC will propose to the Board the re-election of directors who retire by rotation according to the Article 77(3) of the Company's Constitution, as well as the re-appointment of directors who retire in accordance with 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.

#### **Annual Board Assessment**

Additionally, the NRC conducts an annual assessment of the Board effectiveness as a whole, Board Committees' effectiveness, contribution of each Director, contribution of each Audit committee member, independence of each Independent Director and Skills-Set Requirements of the Board, in respect of the FYE 31 December 2023.

This annual evaluation process was conducted by external consultant. The evaluation was carried out by the Company Secretary who had circulated to the Board the evaluation forms.

The assessment criteria and outcome are as summarised below:

Evaluation	Summary of Findings
Board effectiveness as a whole	The rating was average and require improvement in time spent on moving sustainability forward and on training.
Individual Director Self & Peer Evaluations	Overall, the directors had performed satisfactory.
Board Committee effectiveness	All Board Committees received an outstanding rating.
Audit Committee Members' Self and Peer Evaluation	The AC members had performed satisfactory with the appropriate level of knowledge, skills, experience and commitment to discharge their responsibilities effectively.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

#### Annual Board Assessment (cont'd)

The assessment criteria and outcome are as summarised below: (cont'd)

Evaluation	Summary of Findings
Independent Directors’ Self-Assessment	All Independent Directors have met the criteria under the definition of “Independent Director”.

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>.

#### Summary of NRC Activities

During the FYE 31 December 2023, the following activities took place at the NRC Meetings:-

<b>Re-election of Directors</b>	The Committee discussed the re-election of Directors who are retiring by rotation in accordance with Clause 77(3) of the Constitution of the Company at the 1 <sup>st</sup> Annual General Meeting. All directors are being re-assessed pursuant to the Fit and Proper Policy adopted by the Company.  Based on the result, the Board noted that all the Retiring Directors meet the criteria prescribed by Rule 2.20A of the AMLR on character, experience, integrity, competence and commitment to effectively discharge their roles as Directors.
<b>Training for Directors and Senior Management</b>	The Committee took note of the latest training available and will further discuss with Management on the training courses for the Board members and senior management of the Company.
<b>Remuneration Package of Executive Directors and Key Senior Management</b>	The committee noted the remuneration package of Executive Directors and Key Senior Management is similar to financial year 31 December 2022.

### DIRECTORS’ REMUNERATION

The Company’s Remuneration Policies and Procedures sets out the remuneration principles and guidelines for the Board of Directors and Senior Management (comprising personnel from the Deputy General Manager level and above) of the Group. The said policy can be found on the Company’s website: [www.wellspireholdings.com](http://www.wellspireholdings.com).

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

The Group recognises that in order to attract and retain the EDs and senior management, it is important to have a fair and competitive remuneration package that commensurate with their qualification, experience, skills, responsibilities, performance, contribution as well as benchmarking industry peers. It is structured on the basis of linking rewards to corporate and individual performance. The performance and remuneration package of the ED’s and Senior Management are subject to evaluation of the NRC. The ED’s shall abstain from deliberation and/or voting on their own remuneration at Board meetings.

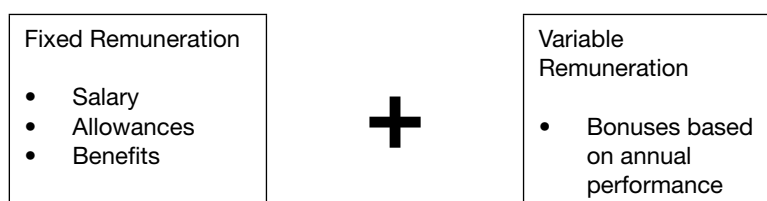
## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### DIRECTORS' REMUNERATION (CONT'D)

##### Remuneration for Executive Directors ("EDs") and Senior Management (cont'd)

The Remuneration components of the ED's are as follows:



##### Remuneration for Non-Executive Directors ("NED")

For NED's, the level of remuneration reflects their knowledge, experience and level of responsibilities. In addition, the remuneration is benchmarked against industry peers of similar size as well as complexity of the Group's businesses. The remuneration of NED consists of fixed annual Directors' fees, Board Committees' fees and meeting allowances for each Board or Board Committee meeting attended. The NED also has benefit of a directors' indemnity insurance. The Board determines the fees for the NEDs and individual Directors shall abstain from decisions in respect of their individual remuneration. The fees and allowances payable to Non-Executive Directors are subject to the prior approval of shareholders at the Annual General Meeting ("AGM") of the Company.

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 2023	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	Benefits- in-kind and Allowances RM'000	Total RM'000
<b>Executive Directors</b>					
Mo Guopiao	-	240.0	80.0	40.0	360.0
Saranjit Wang	-	236.0	20.0	-	256.0
Kua Chin Teck	-	660.0	55.0	263.5	978.5
<b>Non-Executive Directors</b>					
YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah	54.0	-	-	10.0	64.0
Tang Yuen Kin	42.0	-	-	15.5	57.5
Fazidah Bt Zakaria	42.0	-	-	15.5	57.5
Yang Shing Sing	42.0	-	-	15.5	57.5

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### *DIRECTORS' REMUNERATION (CONT'D)*

##### **Key Senior Management Personnel's remuneration and benefits**

The Board has decided not to disclose the remuneration components of key senior management members on an individual basis. This decision is based on considerations of confidentiality and sensitivity surrounding each individual's remuneration package, as well as concerns regarding privacy, competition, and the risk of staff poaching.

Range of Remuneration	No of Key Senior Management
RM 50,000 – RM 100,000	1
RM 200,000 – RM 250,000	1
RM 350,000 – RM 400,000	1

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### **I. AUDIT COMMITTEE**

The Audit Committee ("AC") comprises three (3) members who are Independent Non-Executive Directors. The AC is chaired by Tang Yuen Kin. None of the AC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed in accordance with the terms of reference of the AC. The AC assists the Board to review, assess and make recommendations on matters relating to financial and accounting records, internal controls, related party transactions ("RPT"), potential conflict of interest and financial reporting practices of the Group.

#### **II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**

The Risk Management Committee ("RMC") comprises three (3) members who are Independent Non-Executive Directors. The RMC is chaired by Fazidah Binti Zakaria. The RMC together with the AC have been entrusted by the Board in providing guidance to the management in identifying and managing the risks of the Group which includes the establishment of the internal controls system and processes of the Group to manage and mitigate risks. The Board is of the view that the system of internal control and risk management in place during 2023, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders. In this respect, the details of the Risk Management and Internal Control Framework are set out in the Statement on Internal Control and Risk Management on pages 70 to 73 of this report.

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

#### **I. Communication with Stakeholders**

Transparent and efficient communication with its shareholders, potential investors, and the general public is of paramount concern to the Board. The Board is dedicated to upholding the utmost standards of transparency and accountability in disclosing relevant information concerning the Group. In the financial year under review, the Company had disseminated material business and financial information to its stakeholders via its periodic announcements, investor relations events and annual general meeting and this information can also be found on its website at [www.wellspireholdings.com](http://www.wellspireholdings.com). The Company issued its first annual report on 28th April 2023.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### II. Conduct of General Meetings

##### **Annual General Meeting (AGM)**

The Annual General Meeting (AGM) serves as a platform for shareholders to have an open dialogue and interact with the Board. The AGM of the Company provides the principal forum for shareholders to share their views.

The Board encourages shareholders' participation in general meetings. Hence, in providing a more efficient and wide-spread shareholders' participation, the Company had conducted its 1<sup>st</sup> AGM virtually through live streaming and online remote voting. The AGM was held on 9 June 2023 and streamed live 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. Six members of the Board save for the Chairman who was away overseas were physically present at the Broadcast Venue. The Chairman of the Board and the Company Secretaries had participated via video conferencing. The virtual AGM had enabled shareholders to participate remotely from wherever they were. A shareholder who was not able to participate in the AGM was given the option of appointing a proxy to participate remotely and vote online on his/her behalf.

The Company had served more than 28 days' notice for its 1<sup>st</sup> AGM scheduled on 9 June 2023. The shareholders were given sufficient time to read and analyse the Annual Report and Circular to Shareholders and to make the necessary arrangements to participate in the meeting.

The Poll Administrator, Tricor Investor & Issuing House Services Sdn. Bhd verified the poll results for each resolution, which include votes in favour and against, upon which the Chairman of the 1<sup>st</sup> AGM declared that all the resolutions were carried. The poll results were also announced by Bursa Malaysia via Bursa LINK on the same day for the benefit of all shareholders. The minutes of the 1<sup>st</sup> AGM were also made available on the Company's website: [www.wellspireholdings.com](http://www.wellspireholdings.com).

# AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) assists the Board to review, assess and make recommendations on matters relating to financial and accounting records, internal controls, related party transactions (“RPT”), potential conflict of interest and financial reporting practices of the Group.

As of FYE 2023, the AC of the Company comprises three (3) Independent Non-Executive Directors:

Name of members	Membership	Attendance at Meetings	%
Tang Yuen Kin	Chairperson	5/5	100
Fazidah Bt Zakaria	Member	5/5	100
Yang Shing Sing	Member	5/5	100
Date of Meetings:	22 <sup>nd</sup> February 2023, 19 <sup>th</sup> April 2023, 30 <sup>th</sup> May 2023, 28 <sup>th</sup> August 2023, 28 <sup>th</sup> November 2023		

All members of the AC possess financial literacy, competence, and the ability to comprehend matters falling within the AC’s jurisdiction, including the financial reporting process. None of them are former key audit partners of the Company’s existing External Auditors.

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 of Bursa Securities. 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.

## **Chairman**

To ensure the independence of the AC, the Chairman of the AC is not the Chairman of the Board. The role of the AC Chairman is to provide the Board a summary of significant matters discussed at any AC 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 described in the terms of reference of the AC and they 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. Implementing new or amended major accounting policy changes. Reviewing significant adjustment arising from the audit and monitoring the going concern assumption and compliance with legal requirements;
- (b) **External Auditor** – Evaluating the independence and capabilities of external auditors and recommending their appointment to the Board. 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.

The terms of reference of the AC can be found on the Company’s website at [www.wellspireholdings.com](http://www.wellspireholdings.com).

## **Independence of External Auditors**

The AC assesses the independence of the external auditors on an annual basis. This exercise is carried out when determining the appointment and re-appointment of the external auditor. In carrying this out, the AC will not only assess the competence, audit quality, efficiency and resources 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, the AC will review the audit firm’s governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks. The external auditor is required to give a written assurance to the Company 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.

## AUDIT COMMITTEE REPORT

### Internal Audit

For FYE 2023, the internal audit was carried out by ShineWing TY Teoh Risk & Governance Sdn Bhd who is tasked to carry out the internal audit activity for the Group. The internal auditor was appointed in February 2023 and reports to the AC.

The internal auditor presented its FYE 2023 internal audit plan to the AC for approval on 22 February 2023. The areas of audit were on “Sales and Receivable” and “Procurement and Payables”.

The costs incurred for the Internal Audit function in respect of the FYE 31 December 2023 amounted to RM51,591.

During the FYE 31 December 2023, and as at the date of this report, the internal audit carried out the following activities: -

- (a) Prepared and presented the risk-based annual internal audit plan encompassing key business segments within the Group for the approval of the AC.
- (b) Performed reviews of internal control systems, risk management and governance practices.
- (c) Issued internal audit reports to the AC and Management providing results of the assessments of internal controls, identifying key areas of concerns as well as highlighting recommendations for improvements and carried out follow-up audits.

### Summary of AC Activities

During the FYE 31 December 2023, the following activities took place at the AC Meetings: -

<b>Financial Reporting</b>	<p>The AC scrutinised and reviewed the quarterly financial results with Management to ensure the appropriateness of the accounting treatment and the accuracy of the reported figures. The CFO highlighted the material transactions, and provisions made. Explanations to material variances or movements during the relevant quarters were highlighted and explained. Having reviewed the unaudited quarterly financial results, the AC subsequently recommended the same be presented to the Board for approval for release to Bursa Securities.</p> <p>The AC had also together with the External Auditors and Management, deliberated on the audited financial statements for the financial year ended 31 December 2022. The AC was briefed on the significant audit findings, key audit matters and the adoption of new accounting standards in the audited financial statements.</p>
<b>External Auditors</b>	<p>The AC reviewed the independence, performance, resources and services of the External Auditors, BDO PLT and recommended their re-appointment for FYE 2023. The AC also had private meetings with the External Auditors to discuss any issues and reservations arising from their annual audit without the presence of management and the Executive Board members.</p> <p>The External Auditors had also presented its annual Audit Plan for FYE 2023 to the AC for approval.</p>
<b>Internal Auditors</b>	<p>The AC had appointed the Internal Auditor and approved its annual Internal Audit plan. The Internal Auditor had also presented its findings on “Sales and Receivables” and “Procurement and Payables” to the AC.</p>
<b>Related Party Transaction</b>	<p>The AC had reviewed and deliberated on any potential conflict of interest, related party transactions and recurrent related party transactions (“RRPTs”). The AC had found that there were no conflict of interest or potential conflict of interest pursuant to Rule 15.12(1)(h) of the AMLR (excluding related party transaction).</p>

# RISK MANAGEMENT COMMITTEE REPORT

As of FYE 2023, the Risk Management Committee (“RMC”) of the Company comprises three (3) Independent Non-Executive Directors:

Name of members	Membership	Attendance at Meetings	%
Fazidah Bt Zakaria	Chairman	2/2	100
Tang Yuen Kin	Member	2/2	100
Yang Shing Sing	Member	2/2	100
Date of Meetings:	19 <sup>th</sup> April 2023, 28 <sup>th</sup> November 2023		

The RMC is assisted by the Risk Management Team (“RMT”) comprising Tin Jiing Soon and Samart Singphuak. 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](http://www.wellspireholdings.com).

The Statement of Risk Management and Internal Control as set out in pages 70 to 73 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

# 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 Malaysian Code on Corporate Governance 2021 (“MCCG”) with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. Wellspire Holdings Berhad (“Company”) and its subsidiaries (collectively “Group”) are within the scope of this statement, excluding the Group’s associate and joint venture entities.

## BOARD RESPONSIBILITY

The Board affirms its overall responsibility and oversight of the Group’s risk management and internal controls. The Board is assisted by the Risk Management Committee (“RMC”) and Audit Committee (“AC”) which have been delegated with primary oversight responsibilities on the Group’s risk management and internal control systems, respectively.

The Board ensures that risk management practices and internal control systems are embedded in the strategies, activities and operations of the Company and the Group. The risk management framework is designed to assist the Group to identify, assess, manage or mitigate, monitor and report risks or events with significant adverse impact on the achievement of the Group’s objectives.

The risk management and internal control framework is designed to mitigate risks or events with significant adverse impact on the achievement of the Group’s objectives. Hence, it provides reasonable, but not absolute assurance, against material financial misstatement or against financial losses or fraud.

The Board through the RMC and AC will review the effectiveness, adequacy and integrity of the Group’s risk management practices and internal controls annually. As the business environment constantly undergoes challenges and changes, the Group’s risk management and internal control framework will be constantly tested and reviewed to ensure the systems’ adequacy to address new challenges and changes.

## 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”) which is responsible for the overall risk management activities of the Group whilst direct responsibility for managing risk lies with the respective risk owners. The RM Team is led by the Chief Executive Officer and assisted by other members namely Mr. Tin Jiing Soon and Mr. Samart Singphuak.

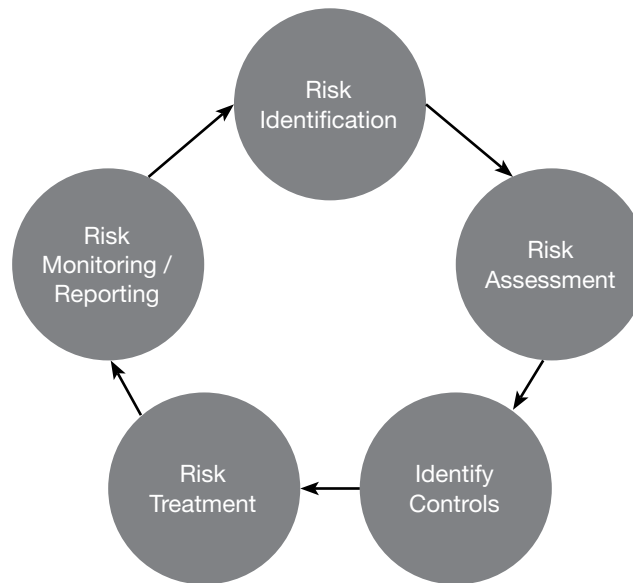
## RISK APPROACH

The Group has in place a Risk Management Policy which sets out the framework for the effective identification, evaluation, management and reporting of the Group’s risks.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK APPROACH (CONT'D)

The Group's risk management framework is premised on the following approach:



### RISK MANAGEMENT PROCESS

The Risk Management Process entails the following processes:

- 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.
- 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 will be monitored by the respective Head of Departments in the Group to ensure that significant risks remain within acceptable risk levels. Further, the respective Head of Departments in the Group 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, manage and monitor the impacts of risks on the operations and business. The findings will be reviewed by the RMC and the Board at the respective RMC and Board meetings, with the assistance of the internal audit team.

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT PROCESS (CONT'D)

For the financial year under review, the following risks were most prevalent among business units in the Group. These were presented to the RMC where controls, mitigating plans and monitoring mechanisms were highlighted.

Key Risks	
<b>Increase of Costs</b>	The current geo political tensions and climate changes may affect the costs of the products purchased. Hence need to monitor closely the movement in prices.
<b>Customer Concentration</b>	Need to diversify customer portfolio. Sales team is constantly looking out for new wholesale or retail customers.
<b>Need to diversify products</b>	The Group need to increase the number of products offered. Procurement team is actively sourcing for new products.

### INTERNAL AUDIT

The Board had outsourced its internal audit function to ShineWing TY Teoh Risk and Governance Sdn Bhd (“the Internal Auditor”), an independent professional accounting and consulting firm. The Internal Auditor functions independently and reports directly to the AC.

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 developed by the Company. The Internal Auditor carries out internal audits on divisions and operating units of the Group based on a risk-based audit plan approved annually by the AC. Reports are submitted to the AC highlighting observations, recommendations, and action plans to improve the Group’s internal control system. The Internal Auditor also follows 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 Auditor reviews the Group’s system of internal control to address the related control weaknesses.

The Internal Auditor had prepared an annual internal audit plan based on the risk profile of the Group for the FYE 31 December 2023 and the annual internal audit plan had been reviewed and approved by the AC on 22 February 2023. The internal audit plan covers areas such as sales and receivables and procurement and account payables.

### INTERNAL CONTROL STRUCTURES

The Group’s risk management is supported by an integrated internal controls system which is applicable to the whole Group. Apart from the risk management framework and internal audit, the system of internal controls also consists of the following:

a) Policies & Procedures

The Group’s internal control system includes formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations. It provides guidance to all divisions and operating subsidiaries to operate effectively and efficiently. These standard operating procedures will not only create a uniformity in operations of the Group but also allow the management to respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group’s objectives.

b) Ethics & Integrity

To build an ethical business culture in the Group, it starts with leadership hence the Group has in place a code known as Directors’ Code of Conduct and Business Ethics. Further, the Group has also an Anti-Bribery and Anti-Corruption Policy and a Whistleblowing Policy. These policies can be found on the Company’s website, [www.wellsfireholdings.com](http://www.wellsfireholdings.com).

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 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 Chief Executive Officer and Chief Financial Officer that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the framework adopted by the Group. 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 16 April 2024.



# 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 2023, the gross proceeds from the public issue amounting to RM28.66 million has been utilised in the following manner:-

Details of utilisation	Estimated timeframe for the utilisation upon listing <sup>(1)</sup>	Proposed Utilisation RM'000	Actual Utilisation RM'000	Reallocation RM'000	Balance to be utilised RM'000
Acquire/ construct a warehouse and operational facility in Thailand	Within 18 months	16,000	-	-	16,000
Working capital	Within 18 months <sup>(3)</sup>	5,958	(3,212)	912	3,658
Estimated listing expenses	Within 3 months	6,700	(5,788)	(912) <sup>(2)</sup>	-
<b>Total</b>		<b>28,658</b>	<b>(9,000)</b>	<b>-</b>	<b>19,658</b>

### Notes:

- From the date of listing of the Company on the ACE Market of Bursa Securities.
- The actual utilisation of listing expenses amounted to RM5.79 million. The surplus of RM0.91 million from the estimated listing expenses was re-allocated to the Group's general working capital requirements.
- On 28 August 2023, the Company announced that the timeframe for the utilisation of the IPO proceeds allocated for working capital was extended for an additional 12 months, up to 18 months from date of listing of the Company.

## 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 RM255,865 and RM8,573 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 2023 were RM11,323. The nature of services rendered for non-statutory audit fees were mainly review of Statement on Risk Management & Internal Control and taxation services.

## 3. MATERIAL CONTRACTS

There were no other material contracts entered into by the Company and / or its subsidiaries involving the interest of the Directors and chief executive, either still subsisting at the end of the financial year ended 31 December 2023, or if not then subsisting, entered into since 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 2023, there was no material contracts relating to loans entered into by the Company or its subsidiaries involving the interest of Directors and substantial shareholders.

### 5. RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting (“AGM”) of the Company held on 9 June 2023, Wellspire had obtained a mandate from its shareholders of Wellspire and/or its subsidiaries to enter into recurrent related party transactions (“RRPTs”) of a revenue or trading nature.

Pursuant to Rule 10.09(2)(b) and paragraph 3.1.5 of Guidance Note 8 of the ACE Market Listing Requirements, details of the RRPTs of a revenue or trading nature entered into during the financial period from 1.1.2023 to 31.3.2024 are as follows:-

Transacting Party	Transacting Party within the Group	Interested Directors/Major Shareholder and/or person connected to them	Nature of relationship	Nature of Transaction	Actual value (RM)
(i) Bai Li Enterprise	Wellspire Global Trading	Saranjit Wang	Saranjit Wang is a Director and shareholder of Bai Li Enterprise.  She is also the Executive Director and shareholder of Wellspire.	Sales of goods to Bai Li Enterprise – goods consist of snack foods only	1,154

### 6. EMPLOYEE SHARE OPTION SCHEME

During the financial year ended 31 December 2023, there was no issuance of any Employee Share Scheme.

### 7. LIST OF PROPERTIES

During the financial year ended 31 December 2023, there was no list of properties.

## **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 2023, 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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## FINANCIAL STATEMENTS

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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 2023.

## PRINCIPAL ACTIVITIES

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, trading of food products and biomass fuel products. Further details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year other than trading of food products and biomass fuel products, which arose from the newly incorporated subsidiary.

## RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	4,453,732	(2,719,886)
Attributable to:		
Owners of the parent	2,637,125	(2,719,886)
Non-controlling interests	1,816,607	-
	4,453,732	(2,719,886)

## DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

On 16 January 2023, the Company issued 124,600,000 new ordinary shares at an issue price of RM0.23 per ordinary share for a total consideration of RM28,658,000 in conjunction with the initial public offering and listing of the Company on Bursa Malaysia Securities Berhad.

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

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

## 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.

## DIRECTORS' REPORT

### DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

#### Wellspire Holdings Berhad

YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah  
 Mo Guopiao ^  
 Saranjit Wang ^  
 Kua Chin Teck ^  
 Tang Yuen Kin  
 Fazidah Binti Zakaria  
 Yang Shing Sing

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

Ittiwat Rattakun  
 Waraporn Rattakun

^ *These Directors of the Company are also the Directors of certain subsidiaries of the Company.*

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023 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 1.1.2023	Acquired	Balance as at Sold 31.12.2023
<u>Direct interests:</u>			
YHM Tengku Dato' Seri Abu Bakar Ahmad Bin Tengku Tan Sri Abdullah	- 700,000	-	700,000
Mo Guopiao	294,162,500	-	(93,600,000) 200,562,500
Saranjit Wang	5,750,000	-	- 5,750,000
Kua Chin Teck	-	700,000	- 700,000
Tang Yuen Kin	-	350,000	(350,000) -
Fazidah Binti Zakaria	-	480,000	(100,000) 380,000
Yang Shing Sing	-	700,000	- 700,000
<u>Deemed interests:</u>			
Mo Guopiao *	121,250,000	-	- 121,250,000
Saranjit Wang #	-	1,000,000	- 1,000,000

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

# *Deemed interested by virtue of the shares held by her spouse, applying Section 59(11)(c) 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.

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

During the financial year, 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 as disclosed in Note 23 (b) to the financial statements; and
- (ii) remuneration received by certain Directors from subsidiaries as Directors of the subsidiaries.

There were no arrangements during and at the end of the financial year, 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' REMUNERATION

The remuneration of Directors of the Group and of the Company during the financial year ended 31 December 2023 are as follows:

	<b>Group</b>	<b>Company</b>
	<b>1.1.2023 to</b>	<b>1.1.2023 to</b>
	<b>31.12.2023</b>	<b>31.12.2023</b>
	<b>RM</b>	<b>RM</b>
<b>Directors of the Company:</b>		
Fees	180,000	180,000
Salaries and bonus	1,290,584	1,035,000
Contributions to defined contribution plan	112,450	112,450
Other employee benefits	247,906	247,906
	<b>1,830,940</b>	<b>1,575,356</b>

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

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers.

The total amount of insurance premium effected for any Director and officer of the Group and of the Company was RM10,000.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

#### (I) AS AT THE END OF THE FINANCIAL YEAR

- (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 there are no known 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 year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### (II) FROM THE END OF THE FINANCIAL YEAR 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 year 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 year 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 year 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 year.
- (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.



## DIRECTORS' REPORT

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (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 Malaysia Securities Berhad, the Company issued its Prospectus for its IPO entailing the following:

- (i) Public issue of 124,600,000 new ordinary shares (“Public Issue Shares”) at an IPO price of RM0.23 per ordinary 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 Malaysia Securities Berhad and the Company’s entire enlarged issued share capital of 712,125,000 ordinary shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 16 January 2023.

- (b) Incorporation of a subsidiary

On 21 March 2023, the Company incorporated a subsidiary known as Wellspire Global Trading Sdn. Bhd. with a paid-up share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each. The principal activities of the subsidiary are trading of food products and biomass fuel products. Subsequently, the Company subscribed an additional 900,000 ordinary shares for a cash consideration of RM900,000. The equity interest of the Company in the subsidiary remained unchanged as at end of the reporting period.

### AUDITORS

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

## DIRECTORS' REPORT

### AUDITORS (CONT'D)

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group 1.1.2023 to 31.12.2023 RM	Company 1.1.2023 to 31.12.2023 RM
Statutory audit		
- BDO PLT	103,000	98,000
- Member firm of BDO PLT	129,758	-
- Other auditors	23,107	-
	255,865	98,000
Other assurance services		
- BDO PLT	7,000	7,000
- Member firm of BDO PLT	1,573	-
	8,573	7,000
	264,438	105,000

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

.....  
**Mo Guopiao**  
Director

Kuala Lumpur  
16 April 2024

.....  
**Kua Chin Teck**  
Director

# STATEMENT BY DIRECTORS & STATUTORY DECLARATION

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 89 to 137 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....  
**Mo Guopiao**  
 Director

Kuala Lumpur  
 16 April 2024

.....  
**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 89 to 137 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 )  
 16 April 2024 )

.....  
**Tin Jiing Soon**

Before me:  
**Mardhiyyah Abdul Wahab**  
 No. W729  
 Commissioner for Oath

# 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 2023 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 then ended and notes to the financial statements, including material accounting policy information, as set out on pages 89 to 137.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards 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. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Recoverability of trade receivables

The net carrying amount of trade receivables of the Group as at 31 December 2023 were RM19,101,612 as disclosed in Note 9 to the financial statements.

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

#### **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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELLSPIRE HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)**

### **Key Audit Matters (Cont'd)**

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 this 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, IFRS Accounting Standards, 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.

### **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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELLSPIRE HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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 year 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.

### 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 7 to the financial statements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELLSPIRE HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

### 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

Kuala Lumpur  
16 April 2024

**Lu Yan Fen**

03803/11/2025 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2023

	Note	Group		Company	
		31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	813,544	913,252	151,932	226,040
Right-of-use assets	6	986,186	1,059,663	546,456	376,592
Investments in subsidiaries	7	-	-	12,501,000	11,501,000
		1,799,730	1,972,915	13,199,388	12,103,632
<b>Current assets</b>					
Inventories	8	6,130,711	7,817,444	-	-
Trade and other receivables	9	21,582,119	20,365,111	6,926,175	656,907
Cash and bank balances	10	41,805,484	10,469,837	22,437,829	6,246,996
		69,518,314	38,652,392	29,364,004	6,903,903
<b>TOTAL ASSETS</b>		<b>71,318,044</b>	<b>40,625,307</b>	<b>42,563,392</b>	<b>19,007,535</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	11	50,528,836	23,501,000	50,528,836	23,501,000
Merger reserve	12	(10,721,287)	(10,721,287)	-	-
Reserves	13	804,395	(361,352)	-	-
Retained earnings/(Accumulated losses)		12,086,760	9,449,635	(8,832,976)	(6,113,090)
		52,698,704	21,867,996	41,695,860	17,387,910
Non-controlling interests		8,148,321	5,842,607	-	-
<b>TOTAL EQUITY</b>		<b>60,847,025</b>	<b>27,710,603</b>	<b>41,695,860</b>	<b>17,387,910</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	14	129,363	221,363	-	-
Lease liabilities	6	519,771	339,198	387,977	209,581
Deferred tax liabilities	15	3,145,558	2,333,901	-	-
		3,794,692	2,894,462	387,977	209,581
<b>Current liabilities</b>					
Borrowings	14	2,792,825	5,076,858	-	-
Lease liabilities	6	308,362	470,314	171,852	181,498
Trade and other payables	16	2,550,920	3,916,687	307,703	1,228,546
Current tax liabilities		1,024,220	556,383	-	-
		6,676,327	10,020,242	479,555	1,410,044
<b>TOTAL LIABILITIES</b>		<b>10,471,019</b>	<b>12,914,704</b>	<b>867,532</b>	<b>1,619,625</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,318,044</b>	<b>40,625,307</b>	<b>42,563,392</b>	<b>19,007,535</b>

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



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company 6.8.2021 (date of incorporation) to	
		1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	31.12.2022 RM
Revenue	17	124,879,773	123,366,764	-	-
Cost of sales		(99,969,523)	(97,411,283)	-	-
Gross profit		24,910,250	25,955,481	-	-
Other operating income		1,242,785	744,936	1,048,750	504,510
Reversal of impairment losses of financial assets	9(d)	12,898	66,072	-	-
Selling and distribution expenses		(8,324,618)	(9,458,028)	-	-
Administrative expenses		(10,237,120)	(11,112,856)	(3,755,993)	(6,600,609)
Finance costs		(163,293)	(293,709)	(12,643)	(16,991)
Profit/(Loss) before tax	18	7,440,902	5,901,896	(2,719,886)	(6,113,090)
Tax expense	19	(2,987,170)	(2,946,834)	-	-
Profit/(Loss) for the financial year		4,453,732	2,955,062	(2,719,886)	(6,113,090)
<b>Other comprehensive income/(loss)</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation, net of tax	19(d)	1,554,122	264,513	-	-
Total comprehensive income/(loss)		6,007,854	3,219,575	(2,719,886)	(6,113,090)
Attributable to:					
Profit/(Loss) for the financial year					
Owners of the Company		2,637,125	1,138,432	(2,719,886)	(6,113,090)
Non-controlling interests		1,816,607	1,816,630	-	-
		4,453,732	2,955,062	(2,719,886)	(6,113,090)
Total other comprehensive income/(loss), net of tax					
Owners of the Company		3,802,872	1,336,843	(2,719,886)	(6,113,090)
Non-controlling interests		2,204,982	1,882,732	-	-
		6,007,854	3,219,575	(2,719,886)	(6,113,090)
Earnings per ordinary shares attributable to equity holders of the Company:					
Basic and diluted (sen)	22	0.37	0.19		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Share capital RM	Invested equity RM	Merger reserve RM	Foreign currency		Legal reserve RM	Retained earnings RM	Total RM	Non-controlling interests		Total equity RM
					translation reserve RM	reserve RM				controlling RM	interests RM	
Balance as at 1 January 2022		2,000,000	11,501,000	(10,721,287)	(612,506)	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		
<b>Transactions with owners</b>												
Issuance of ordinary shares	11	10,000,000	-	-	-	-	-	10,000,000	-	10,000,000		
Issuance of ordinary shares for the acquisition of subsidiary	11	11,501,000	(11,501,000)	-	-	-	-	-	-	-		
Issuance of ordinary shares to non-controlling interests by a subsidiary		-	-	-	-	-	-	-	19,315	19,315		
Total transactions with owners		21,501,000	(11,501,000)	-	-	-	-	10,000,000	19,315	10,019,315		
Balance as at 31 December 2022		23,501,000	-	(10,721,287)	(414,095)	52,743	9,449,635	21,867,996	5,842,607	27,710,603		

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Group	Note	Share capital		Merger reserve		Foreign currency translation reserve		Legal reserve		Retained earnings		Total		Non-controlling interests		Total equity	
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2023		23,501,000	(10,721,287)	(414,095)	52,743	9,449,635	21,867,996	5,842,607	27,710,603								
Profit for the financial year		-	-	-	-	2,637,125	2,637,125	1,816,607	4,453,732								
Other comprehensive income, net of tax		-	-	1,165,747	-	-	1,165,747	388,375	1,554,122								
Total comprehensive income		-	-	1,165,747	-	2,637,125	3,802,872	2,204,982	6,007,854								
<b>Transactions with owners</b>																	
Issuance of ordinary shares	11	28,658,000	-	-	-	-	28,658,000	-	28,658,000								
Listing expenses attributable to the initial public offering	11	(1,630,164)	-	-	-	-	(1,630,164)	-	(1,630,164)								
Issuance of ordinary shares to non-controlling interests by a subsidiary		-	-	-	-	-	-	-	-					100,732			100,732
Total transactions with owners		27,027,836	-	-	-	-	27,027,836	100,732	27,128,568								
Balance as at 31 December 2023		50,528,836	(10,721,287)	751,652	52,743	12,086,760	52,698,704	8,148,321	60,847,025								

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

# STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Note	Share capital RM	Accumulated losses 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)
<b>Transactions with owners</b>				
Issuance of ordinary shares	11	11,990,000	-	11,990,000
Issuance of ordinary shares for the acquisition of subsidiary	11	11,501,000	-	11,501,000
Total transactions with owners		23,491,000	-	23,491,000
Balance as at 31 December 2022		23,501,000	(6,113,090)	17,387,910
Balance as at 1 January 2023		23,501,000	(6,113,090)	17,387,910
Loss for the financial year		-	(2,719,886)	(2,719,886)
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		-	(2,719,886)	(2,719,886)
<b>Transactions with owners</b>				
Issuance of ordinary shares	11	28,658,000	-	28,658,000
Listing expenses attributable to the initial public offering	11	(1,630,164)	-	(1,630,164)
Total transactions with owners		27,027,836	-	27,027,836
Balance as at 31 December 2023		50,528,836	(8,832,976)	41,695,860

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.1.2023 to 31.12.2023	6.8.2021 (date of incorporation) to 31.12.2022
Note	RM	RM	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	7,440,902	5,901,896	(2,719,886)	(6,113,090)
Adjustments for:				
Depreciation of:				
- property, plant and equipment	5 346,195	253,967	89,508	52,465
- right-of-use assets	6 604,088	1,310,105	195,828	165,702
Interest expense on:				
- borrowings	18 136,964	240,194	-	-
- lease liabilities	6 26,329	110,018	12,643	16,991
Gain on disposal of property, plant and equipment	18 -	(7,216)	-	-
Interest income	18 (778,884)	(2,408)	(718,899)	-
Inventories written down	8 156,606	291,987	-	-
Net unrealised gain on foreign exchange	18 (266,153)	(505,429)	(283,382)	(504,510)
Reversal of impairment losses on trade receivables	9(d) (12,898)	(66,072)	-	-
Operating profit/(loss) before changes in working capital	7,653,149	7,527,042	(3,424,188)	(6,382,442)
Changes in working capital:				
Inventories	1,915,946	(1,859,015)	-	-
Trade and other receivables	(92,644)	(1,450,567)	248,796	(656,907)
Trade and other payables	(1,505,952)	1,112,339	(884,159)	1,228,546
Cash generated from/(used in) operations	7,970,499	5,329,799	(4,059,551)	(5,810,803)
Interest received	18,177	2,408	-	-
Tax paid	(1,749,643)	(3,262,877)	-	-
Net cash from/(used in) operating activities	6,239,033	2,069,330	(4,059,551)	(5,810,803)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Advances and repayments to subsidiaries	-	-	(6,552,491)	-
Interest received from short term deposits	760,707	-	718,899	-
Placements of short term deposits with maturity period more than three (3) months	10(f) (25,000,000)	-	(20,000,000)	-
Purchase of property, plant and equipment	5 (209,623)	(702,093)	(15,400)	(278,505)
Proceeds from disposal of property, plant and equipment	-	58,925	-	-
Subscription of ordinary shares in a subsidiary	7(e) -	-	(1,000,000)	-
Net cash used in investing activities	(24,448,916)	(643,168)	(26,848,992)	(278,505)

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Group		Company	
	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.1.2023 to 31.12.2023	6.8.2021 (date of incorporation) to 31.12.2022
Note	RM	RM	RM	RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Drawdowns of borrowings	17,008,950	55,180,591	-	-
Repayments of:				
- borrowings	(19,616,631)	(60,150,052)	-	-
- lease liabilities	(499,803)	(2,134,328)	(196,942)	(151,215)
Interest expense paid on:				
- borrowings	(136,964)	(240,194)	-	-
- lease liabilities	(26,329)	(110,018)	(12,643)	(16,991)
Proceeds from issuance of ordinary shares	11 28,658,000	10,000,000	28,658,000	12,000,000
Payments of listing expenses attributable to the initial public offering	(1,630,164)	-	(1,630,164)	-
Proceeds from issuance of ordinary shares to non-controlling interests by a subsidiary	100,732	19,315	-	-
Net cash from financing activities	23,857,791	2,565,314	26,818,251	11,831,794
Net increase/(decrease) in cash and cash equivalents	5,647,908	3,991,476	(4,090,292)	5,742,486
Effect of exchange rate changes on cash and cash equivalents	687,739	596,751	281,125	504,510
Cash and cash equivalents at beginning of financial year	10,469,837	5,881,610	6,246,996	-
Cash and cash equivalents at end of financial year	10(f) 16,805,484	10,469,837	2,437,829	6,246,996

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

#### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group	
	Lease liabilities (Note 6) RM	Borrowings (Note 14) RM
As at 1 January 2022	2,377,652	10,123,679
Cash flows:		
- Drawdowns of borrowings	-	55,180,591
- Repayments of principal	(2,134,328)	(60,150,052)
- Repayments of interest	(110,018)	(240,194)
	(2,244,346)	(5,209,655)
Non-cash flows:		
- Addition	542,294	-
- Interest expense	110,018	240,194
- Exchange differences	23,894	144,003
	676,206	384,197
As at 31 December 2022	809,512	5,298,221
As at 1 January 2023	809,512	5,298,221
Cash flows:		
- Drawdowns of borrowings	-	17,008,950
- Repayments of principal	(499,803)	(19,616,631)
- Repayments of interest	(26,329)	(136,964)
	(526,132)	(2,744,645)
Non-cash flows:		
- Addition	133,534	-
- Lease modification	365,692	-
- Interest expense	26,329	136,964
- Exchange differences	19,198	231,648
	544,753	368,612
As at 31 December 2023	828,133	2,922,188

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

	<b>Company Lease liabilities (Note 6) RM</b>
As at 6 August 2021 (date of incorporation)	-
Cash flows:	
- Repayments of principal	(151,215)
- Repayments of interest	(16,991)
	(168,206)
Non-cash flows:	
- Addition	542,294
- Interest expense	16,991
	559,285
As at 31 December 2022	391,079
As at 1 January 2023	391,079
Cash flows:	
- Repayments of principal	(196,942)
- Repayments of interest	(12,643)
	(209,585)
Non-cash flows:	
- Lease modification	365,692
- Interest expense	12,643
	378,335
As at 31 December 2023	559,829

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



# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2023

### 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

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, trading of food products and biomass fuel products. Further details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year other than trading of food products and biomass fuel products, which arose from the newly incorporated subsidiary.

The consolidated financial statements for the financial year ended 31 December 2023 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 16 April 2024.

### 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards 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. The new MFRS and Amendments to MFRSs adopted during the financial year are disclosed in Note 3.1 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 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

### 3. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

#### 3.1 New MFRSs adopted during the financial year

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

Title	Effective Date
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
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

Adoption of the above Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company except for the following:

#### Amendments to MFRS 101 *Disclosure of Accounting Policies*

The Amendments require the disclosures of ‘material’, rather than ‘significant’, accounting policies. The Amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Amendments had an impact on the Group’s and Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s and Company’s financial statements.

#### 3.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
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 Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 4. 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 segments include online retailer of consumer packaged foods, investment holding and trading of biomass fuel products, 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:

	Group			
	1.1.2023 to 31.12.2023		1.1.2022 to 31.12.2022	
	RM	%	RM	%
Customer A	55,374,209	44	54,274,601	44
Customer B	30,384,711	24	32,001,112	26
Customer C	18,020,106	15	17,101,582	14
	103,779,026	83	103,377,295	84

(d) Geographical information

In determining the geographical segment of the Group, revenue is based on the geographical location of customers.

	Revenue	
	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022
	RM	RM
Malaysia	1,294,518	-
Thailand	123,585,255	123,366,764
	124,879,773	123,366,764

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

	Segment assets		Non-current assets	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Malaysia	30,634,068	7,506,535	698,388	602,632
Thailand	40,503,141	32,880,577	1,101,342	1,370,283
Singapore	180,835	238,195	-	-
	71,318,044	40,625,307	1,799,730	1,972,915

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 5. PROPERTY, PLANT AND EQUIPMENT

Group 31.12.2023	Balance as at 1.1.2023 RM	Additions RM	Exchange differences RM	Balance as at 31.12.2023 RM	
<b>Cost</b>					
Renovation	235,179	32,466	2,497	270,142	
Office equipment	122,681	17,511	7,290	147,482	
Office computers	178,955	34,338	9,103	222,396	
Furniture and fittings	201,978	4,708	8,653	215,339	
Machinery and tools	312,380	9,191	17,685	339,256	
Motor vehicles	604,725	111,409	36,551	752,685	
	1,655,898	209,623	81,779	1,947,300	
<b>Accumulated depreciation</b>					
Renovation	59,191	75,764	948	135,903	
Office equipment	63,537	21,264	4,076	88,877	
Office computers	73,507	55,979	5,097	134,583	
Furniture and fittings	59,657	39,848	3,800	103,305	
Machinery and tools	90,708	56,370	6,463	153,541	
Motor vehicles	396,046	96,970	24,531	517,547	
	742,646	346,195	44,915	1,133,756	
<b>Group 31.12.2022</b>					
	Balance as at 1.1.2022 RM	Additions RM	Disposal RM	Exchange differences RM	Balance as at 31.12.2022 RM
<b>Cost</b>					
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

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 31.12.2022	Balance as at charge for the 1.1.2022 RM	Depreciation financial year RM	Disposal RM	Exchange differences RM	Balance as at 31.12.2022 RM
<b>Accumulated depreciation</b>					
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

Company 31.12.2023	Balance as at 1.1.2023 RM	Additions RM	Balance as at 31.12.2023 RM
<b>Cost</b>			
Renovation	204,854	-	204,854
Office computers	26,429	10,850	37,279
Furniture and fittings	47,222	4,550	51,772
	278,505	15,400	293,905

Company 31.12.2023	Balance as at charge for the 1.1.2023 RM	Depreciation financial year RM	Balance as at 31.12.2023 RM
<b>Accumulated depreciation</b>			
Renovation	45,523	68,284	113,807
Office computers	1,947	11,552	13,499
Furniture and fittings	4,995	9,672	14,667
	52,465	89,508	141,973

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 31.12.2022	Balance as at 6.8.2021 (date of incorporation) RM	Additions RM	Balance as at 31.12.2022 RM
<b>Cost</b>			
Renovation	-	204,854	204,854
Office computers	-	26,429	26,429
Furniture and fittings	-	47,222	47,222
	-	278,505	278,505
<b>Accumulated depreciation</b>			
Renovation	-	45,523	45,523
Office computers	-	1,947	1,947
Furniture and fittings	-	4,995	4,995
	-	52,465	52,465
<b>Group</b>			
<b>Company</b>			
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Carrying amounts</b>			
Renovation	134,239	175,988	91,047
Office equipment	58,605	59,144	-
Office computers	87,813	105,448	23,780
Furniture and fittings	112,034	142,321	37,105
Machinery and tools	185,715	221,672	-
Motor vehicles	235,138	208,679	-
	813,544	913,252	151,932
			226,040

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

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (b) Depreciation on property, plant and equipment 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%

#### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

	Distribution facility RM	Motor vehicles RM	Offices RM	Total RM
<b>31.12.2023</b>				
<b>Cost</b>				
As at 1 January 2023	3,724,045	1,575,720	542,294	5,842,059
Addition	-	-	133,534	133,534
Lease modification	-	-	365,692	365,692
Termination	(3,786,826)	-	-	(3,786,826)
Exchange differences	62,781	88,065	3,300	154,146
As at 31 December 2023	-	1,663,785	1,044,820	2,708,605
<b>Accumulated depreciation</b>				
As at 1 January 2023	3,653,780	962,914	165,702	4,782,396
Depreciation charged for the financial year	72,402	324,730	206,956	604,088
Termination	(3,786,826)	-	-	(3,786,826)
Exchange differences	60,644	61,842	275	122,761
As at 31 December 2023	-	1,349,486	372,933	1,722,419

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

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

#### The Group as lessee (Cont'd)

#### Right-of-use assets (Cont'd)

31.12.2022	Distribution facility RM	Motor vehicles RM	Offices RM	Total RM
<b>Cost</b>				
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
<b>Accumulated depreciation</b>				
As at 1 January 2022	2,754,963	634,946	-	3,389,909
Depreciation charged for the financial 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

#### The Company as lessee

#### Right-of-use assets

31.12.2023	Office RM	Total RM
<b>Cost</b>		
As at 1 January 2023	542,294	542,294
Lease modification	365,692	365,692
As at 31 December 2023	907,986	907,986
<b>Accumulated depreciation</b>		
As at 1 January 2023	165,702	165,702
Depreciation charged for the financial year	195,828	195,828
As at 31 December 2023	361,530	361,530



## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

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

##### The Company as lessee (Cont'd)

##### Right-of-use assets (Cont'd)

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

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<b>Carrying amounts</b>				
Distribution facility	-	70,265	-	-
Motor vehicles	314,299	612,806	-	-
Offices	671,887	376,592	546,456	376,592
	986,186	1,059,663	546,456	376,592

##### Lease liabilities

Group	Distribution facility RM	Motor vehicles RM	Offices RM	Total RM
<b>31.12.2023</b>				
As at 1 January 2023	-	418,433	391,079	809,512
Addition	-	-	133,534	133,534
Lease modification	-	-	365,692	365,692
Payments of:				
- Principal	-	(292,055)	(207,748)	(499,803)
- Interest expense	-	(12,190)	(14,139)	(26,329)
Interest charged for the financial year	-	12,190	14,139	26,329
Exchange differences	-	16,166	3,032	19,198
As at 31 December 2023	-	142,544	685,589	828,133

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

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

##### Lease liabilities (Cont'd)

Group	Distribution facility RM	Motor vehicles RM	Offices RM	Total RM
<b>31.12.2022</b>				
As at 1 January 2022	1,621,905	755,747	-	2,377,652
Addition	-	-	542,294	542,294
Payments of:				
- Principal	(1,634,774)	(348,339)	(151,215)	(2,134,328)
- Interest expense	(56,503)	(36,524)	(16,991)	(110,018)
Interest charged for the financial year	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

Company	Office RM	Total RM
<b>31.12.2023</b>		
As at 1 January 2023	391,079	391,079
Lease modification	365,692	365,692
Payments of:		
- Principal	(196,942)	(196,942)
- Interest expense	(12,643)	(12,643)
Interest charged for the financial year	12,643	12,643
As at 31 December 2023	559,829	559,829

##### 31.12.2022

As at 6 August 2021 (date of incorporation)	-	-
Addition	542,294	542,294
Payments of:		
- Principal	(151,215)	(151,215)
- Interest expense	(16,991)	(16,991)
Interest charged for the financial year	16,991	16,991
As at 31 December 2022	391,079	391,079

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

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

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Represented by:				
Non-current liabilities	519,771	339,198	387,977	209,581
Current liabilities	308,362	470,314	171,852	181,498
	<b>828,133</b>	<b>809,512</b>	<b>559,829</b>	<b>391,079</b>
Lease liabilities owing to:				
Financial institutions				
- motor vehicles	31,223	67,345	-	-
Non-financial institutions				
- motor vehicles	111,321	351,088	-	-
- offices	685,589	391,079	559,829	391,079
	<b>828,133</b>	<b>809,512</b>	<b>559,829</b>	<b>391,079</b>

(a) The Group leases an office in Malaysia, as well as motor vehicles and properties in Thailand. These leases comprise only fixed payments over the lease terms.

(b) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

(c) Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets 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
Offices	36 months

(d) 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

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

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

	Group		Company 6.8.2021 (date of incorporation)	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	to 31.12.2022 RM
<b>Included in cost of sales:</b>				
Interest expense on lease liabilities	-	56,503	-	-
Depreciation of right-of-use assets	72,402	833,047	-	-
Expenses relating to short-term lease	1,797,959	-	-	-
<b>Included in finance costs:</b>				
Interest expense on lease liabilities	26,329	53,515	12,643	16,991
<b>Included in administrative expenses:</b>				
Depreciation of right-of-use assets	531,686	477,058	195,828	165,702
Expenses relating to short-term lease	80,919	73,469	-	-
Expenses relating to leases of low-value assets	21,272	17,742	6,089	-
	2,530,567	1,511,334	214,560	182,693

(f) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM2,426,282 (31.12.2022: RM2,335,557) and RM215,674 (31.12.2022: RM168,206) respectively.

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

Group	Incremental borrowing rate %	Within 1 year RM	1 - 5 years RM	Total RM
<b>31.12.2023</b>				
Lease liabilities	2.68% - 11.83%	308,362	519,771	828,133
<b>31.12.2022</b>				
Lease liabilities	2.68% - 11.83%	470,314	339,198	809,512
<b>Company</b>				
<b>31.12.2023</b>				
Lease liabilities	5.10%	171,852	387,977	559,829
<b>31.12.2022</b>				
Lease liabilities	3.88%	181,498	209,581	391,079

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

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

- (h) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	Within 1 year RM	1 - 5 years RM	Total RM
<b>Group</b>			
<b>31.12.2023</b>			
Lease liabilities	321,908	544,068	865,976
<b>31.12.2022</b>			
Lease liabilities	488,728	350,809	839,537
<b>Company</b>			
<b>31.12.2023</b>			
Lease liabilities	180,298	409,768	590,066
<b>31.12.2022</b>			
Lease liabilities	193,464	214,362	407,826

- (i) Sensitivity analysis of interest rate risk 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.
- (j) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

#### 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	31.12.2023 RM	31.12.2022 RM
Unquoted equity shares, at cost	12,501,000	11,501,000

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		31.12.2023 %	31.12.2022 %	
Vine Growth Holdings Pte. Ltd. <sup>®</sup>	Singapore	100.00	100.00	Investment holding company and provision of management consultancy services
Wellspire Global Trading Sdn. Bhd.	Malaysia	100.00	-	Trading of food products and biomass fuel products
<b>Subsidiaries of Vine Growth Holdings Pte. Ltd.</b>				
Bai Li Holdings Co., Ltd. <sup>#</sup>	Thailand	51.00*	51.00*	Investment holding company
<b>Subsidiaries of Bai Li Holdings Co., Ltd.</b>				
Bai Li Enterprise Co., Ltd. <sup>#</sup>	Thailand	75.01	75.01	Distribution of consumer packaged foods
<b>Subsidiary of Bai Li Enterprise Co., Ltd.</b>				
Keymall Retail Co., Ltd. <sup>#</sup>	Thailand	56.26	56.26	Online retailer of consumer packaged foods

<sup>®</sup> Not audited by BDO PLT or BDO Member Firms

<sup>#</sup> Subsidiaries audited by BDO Member Firms

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

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

All components of non-controlling interests shall be initially measured at fair value on the acquisition date, unless another measurement basis is required by MFRS. The choice of the measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) 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 ordinary 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.
- (c) The purchase consideration was 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (d) 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.

- (e) On 21 March 2023, the Company incorporated a subsidiary known as Wellspire Global Trading Sdn. Bhd. with a paid-up share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each. The principal activities of the subsidiary are trading of food products and biomass fuel products. Subsequently, the Company subscribed an additional 900,000 ordinary shares for a cash consideration of RM900,000. The equity interest of the Company in the subsidiary remained unchanged as at end of the reporting period.
- (f) During the financial year, an indirect subsidiary of the Company, Bai Li Enterprise Co., Ltd subscribed an additional 30,000 ordinary shares in Keymall Retail Co., Ltd. for a cash consideration of THB3,000,000, equivalent to approximately RM402,927. The equity interest of the Company in Keymall Retail Co., Ltd. remained unchanged as at end of the reporting period.
- (g) Summarised information of companies with non-controlling interests ("NCI") that are material to the Group is set out below. The summarised financial information presented below are the amounts before inter-company elimination.

	31.12.2023 RM	31.12.2022 RM
<b>Bai Li Holdings Co., Ltd. Group</b>		
NCI percentage of ownership interest and voting interest (%)	49.00%	49.00%
Carrying amount of NCI	8,148,321	5,842,607
Profit allocated to NCI	1,816,607	1,816,630
Other comprehensive income allocated to NCI	388,375	66,102
Total comprehensive income allocated to NCI	2,204,982	1,882,732
<b>Assets and liabilities</b>		
Non-current assets	1,101,188	1,370,283
Current assets	39,409,643	31,545,847
Total assets	40,510,831	32,916,130
Non-current liabilities	(261,158)	(362,894)
Current liabilities	(6,429,483)	(8,606,942)
Total liabilities	(6,690,641)	(8,969,836)
Net assets	33,820,190	23,946,294
Equity attributable to owners of the parent	33,787,235	23,968,786
Non-controlling interests	32,955	(22,492)
Total equity	33,820,190	23,946,294

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (g) Summarised information of companies with non-controlling interests ("NCI") that are material to the Group is set out below. The summarised financial information presented below are the amounts before inter-company elimination. (Cont'd)

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Results</b>		
Revenue	123,633,654	123,366,764
Profit for the financial year/Total comprehensive income	8,231,370	8,071,130
Profit/Total comprehensive income/(loss) attributable to:		
- owners of the parent	8,276,655	8,110,206
- non-controlling interests	(45,285)	(39,076)
Cash flows from operating activities	10,862,891	6,795,649
Cash flows used in investing activities	(194,222)	(364,663)
Cash flows used in financing activities	(2,960,459)	(7,266,481)
Net increase/(decrease) in cash and cash equivalents	7,708,210	(835,495)
Cash and cash equivalents at beginning of the financial year	4,020,198	4,847,400
Effect of exchange rate changes on cash and cash equivalents	412,734	8,293
Cash and cash equivalents at end of the financial year	12,141,142	4,020,198

#### 8. INVENTORIES

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Finished goods	6,130,711	7,817,444

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) 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.
- (c) During the financial year, inventories of the Group recognised as cost of sales amounted to RM97,392,173 (31.12.2022: RM95,226,331). The Group has also written down its obsolete inventories by RM156,606 (31.12.2022: RM291,987) during the financial year based on assessment of their estimated recoverable amounts.



## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<b>Trade receivables</b>				
Third parties	19,228,087	18,780,558	-	-
Less: Impairment losses	(126,475)	(132,298)	-	-
<b>Total trade receivables</b>	19,101,612	18,648,260	-	-
<b>Other receivables</b>				
Amounts due from subsidiaries	-	-	6,515,807	-
Other receivables	1,367,898	866,179	238,356	-
Deposits	173,982	76,351	135,018	67,282
<b>Total other receivables</b>	1,541,880	942,530	6,889,181	67,282
Prepayments	938,627	774,321	36,994	589,625
<b>Total trade and other receivables</b>	21,582,119	20,365,111	6,926,175	656,907

- (a) Trade and other receivables, excluding prepayments 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 (31.12.2022: 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) Recognition and measurement of impairment loss

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.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. 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 assesses the expected credit losses of trade receivables using the flow-rate methods based on customer segments, historical information on payment patterns, terms of payment, and information about the general economic situation in the country where customer operates. Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information based on macroeconomic factors such as Gross Domestic Product, unemployment rate and inflation rate of Thailand, and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Significant judgement is required in determining the probability of default by trade receivables, and the appropriate forward looking information.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 9. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Recognition and measurement of impairment loss (Cont'd)

Lifetime expected loss provision for trade receivables at the end of the reporting period are as follows:

Group 31.12.2023	Gross carrying amount RM	Lifetime expected loss RM	Net carrying amount RM
Collective assessment			
Not past due	17,921,378	(37)	17,921,341
Past due			
1 - 30 days	1,145,368	(40)	1,145,328
31 - 120 days	34,716	(62)	34,654
More than 120 days	3,992	(3,703)	289
	1,184,076	(3,805)	1,180,271
Individual assessment	122,633	(122,633)	-
	19,228,087	(126,475)	19,101,612
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
	1,353,651	(129,905)	1,223,746
	18,780,558	(132,298)	18,648,260

Impairment for other receivables and amounts due from subsidiaries 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (c) Recognition and measurement of impairment loss (Cont'd)

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, with a significant increase in credit risk indicator of 120 days past due.

The probabilities of non-payment by other receivables and amounts owing by subsidiaries are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss.

No expected credit losses were recognised arising from other receivables and amounts due from subsidiaries as the probability of default by other receivables and amounts due from subsidiaries were negligible.

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

	<b>12-month expected credit losses allowance RM</b>
<b>At 1 January 2023</b>	132,298
Reversal of impairment losses	(12,898)
Exchange differences	7,075
<b>At 31 December 2023</b>	126,475
<b>At 1 January 2022</b>	195,230
Reversal of impairment losses	(66,072)
Exchange differences	3,140
<b>At 31 December 2022</b>	132,298

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

	31.12.2023		Group		31.12.2022	
	RM	%	RM	%	RM	%
Customer A	10,580,743	55	10,631,373	57		
Customer C	4,875,031	25	4,416,109	24		
	15,455,774	80	15,047,482	81		

- (f) Included in the other receivables of the Group for the financial year ended 31 December 2023 are reimbursement of promotional expenses receivable from a supplier of the Group amounted to RM1,048,017 (31.12.2022: RM837,351).
- (g) Amounts due from subsidiaries represent advances and payments on behalf, which are unsecured, interest-free and receivable within next twelve (12) months in cash and cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 9. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) The currency exposure profile of trade and other receivables, excluding prepayments are as follows:

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Ringgit Malaysia	356,949	67,282	6,830,948	67,282
Thai Baht	20,228,310	19,523,508	-	-
Singapore Dollar	58,233	-	58,233	-
	20,643,492	19,590,790	6,889,181	67,282

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

	31.12.2023		31.12.2022	
	Profit/(Loss) RM	Equity RM	Profit/(Loss) RM	Equity RM
<b>Effects of 5% changes to RM against foreign currencies</b>				
<b>Group</b>				
Singapore Dollar	2,912	-	-	-
Thai Baht	-	1,011,416	-	976,175
<b>Company</b>				
Singapore Dollar	(2,912)	-	-	-

### 10. CASH AND BANK BALANCES

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Cash and bank balances	16,805,484	10,469,837	2,437,829	6,246,996
Short term deposits with a licensed bank	25,000,000	-	20,000,000	-
	41,805,484	10,469,837	22,437,829	6,246,996

(a) Cash and bank balances are classified as financial assets and measured at amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 10. CASH AND BANK BALANCES (CONT'D)

- (b) The following table sets out the carrying amounts, the weighted average effective interest rates and the remaining maturities of the short term deposits with a licensed bank:

31.12.2023	Weighted average effective interest rate %	Within 1 year/ Total RM
<b>Group</b>		
Short term deposits with a licensed bank	3.56%	25,000,000
<b>Company</b>		
Short term deposit with a licensed bank	3.75%	20,000,000

- (c) Sensitivity analysis of interest rate risk for short term deposits with a licensed bank as at the end of reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

- (d) The currency exposure profile of the cash and bank balances are as follows:

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Ringgit Malaysia	26,859,753	316,354	20,138,671	316,354
Thai Baht	12,131,110	4,010,586	-	-
United States Dollar	2,653,777	5,962,708	2,297,029	5,928,555
Singapore Dollar	160,844	180,189	2,129	2,087
	41,805,484	10,469,837	22,437,829	6,246,996

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

	31.12.2023		31.12.2022	
	Profit/(Loss) RM	Equity RM	Profit/(Loss) RM	Equity RM
<b>Effects of 5% changes to RM against foreign currencies</b>				
<b>Group</b>				
United States Dollar	132,689	-	298,135	-
Singapore Dollar	8,042	-	9,009	-
Thai Baht	-	606,556	-	200,529
<b>Company</b>				
United States Dollar	(114,851)	-	(296,428)	-
Singapore Dollar	(106)	-	(104)	-

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 10. CASH AND BANK BALANCES (CONT'D)

- (f) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Cash and bank balances	41,805,484	10,469,837	22,437,829	6,246,996
Less:				
Short term deposits with maturity period more than three (3) months	(25,000,000)	-	(20,000,000)	-
Reported in statements of cash flows	16,805,484	10,469,837	2,437,829	6,246,996

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

#### 11. SHARE CAPITAL

	Group and Company	
	Number of shares	Amount RM
<b>Issued and fully paid with no par value</b>		
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 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 2022/1 January 2023	587,525,000	23,501,000
Issued during the financial year	124,600,000	28,658,000
Listing expenses attributable to the initial public offering	-	(1,630,164)
Balance as at 31 December 2023	712,125,000	50,528,836

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

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 11. SHARE CAPITAL (CONT'D)

- (c) On 30 November 2022, the Company 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.
- (d) On 16 January 2023, the Company issued 124,600,000 new ordinary shares at an issue price of RM0.23 per ordinary share for a total consideration of RM28,658,000 in conjunction with the initial public offering and listing of the Company on Bursa Malaysia Securities Berhad.

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

- (e) The owners of the parent 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.

#### 12. 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.

#### 13. RESERVES

	Group	
	31.12.2023	31.12.2022
	RM	RM
Non-distributable:		
Foreign currency translation reserve	751,652	(414,095)
Legal reserve	52,743	52,743
	804,395	(361,352)

- (a) Foreign currency translation reserve

Foreign currency 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) 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.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 14. BORROWINGS

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<b>Non-current liabilities</b>				
Term loans	129,363	221,363	-	-
<b>Current liabilities</b>				
Term loans	106,645	97,190	-	-
Invoice financing	-	2,435,668	-	-
Revolving credit	2,686,180	2,544,000	-	-
Financial guarantee contracts	-	-	*	-
	2,792,825	5,076,858	*	-
<b>Total borrowings</b>	2,922,188	5,298,221	*	-

\* Amounts are negligible

(a) Details of the borrowings of the Group are as follows:

	Group	
	31.12.2023 RM	31.12.2022 RM
<b>Non-current</b>		
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.	95,326	157,114
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 the Company.	9,651	28,347
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 the Company.	24,386	35,902
	129,363	221,363



## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 14. BORROWINGS (CONT'D)

(a) Details of the borrowings of the Group are as follows (Cont'd):

	Group	
	31.12.2023	31.12.2022
	RM	RM
<b>Current</b>		
Unsecured term loan I	72,048	65,143
Secured term loan II	20,653	19,070
Secured term loan III	13,944	12,977
Secured invoice financing IV from financial institution of THB80,000,000 was repayable within 90 days from drawdown. The borrowing bore a variable interest rate of Minimum Loan Rate ("MLR") minus 1.50% per annum. The borrowing was guaranteed by the Company.	-	2,435,668
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 4% per annum.	2,686,180	2,544,000
	2,792,825	5,076,858

(b) Borrowings are classified as financial liabilities and measured at amortised cost.

(c) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

- (i) the amount of the loss allowance; and
- (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

The financial guarantee contracts have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to a subsidiary's secured borrowings.

(d) Borrowings of the Group are dominated in THB.

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

	31.12.2023		31.12.2022	
	Profit/(Loss)	Equity	Profit/(Loss)	Equity
	RM	RM	RM	RM
<b>Effects of 5% changes to RM against foreign currencies</b>				
<b>Group</b>				
Thai Baht	-	(146,109)	-	(264,911)

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 14. BORROWINGS (CONT'D)

- (f) 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.

- (g) At the end of reporting period, the interest rate profile of the borrowings were:

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current liabilities:</b>		
Floating rates	129,363	221,363
<b>Current liabilities:</b>		
Floating rates	106,645	2,527,620
Fixed rates	2,686,180	2,549,238
	2,922,188	5,298,221

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

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
Term loans	7.23%	6.06%
Invoice financing	-	4.47%
Revolving credit	4.00%	2.00%

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

	<b>Within one year RM</b>	<b>One to five years RM</b>	<b>Over five years RM</b>	<b>Total RM</b>
<b>Group</b>				
<b>31.12.2023</b>				
<b>Fixed rate</b>				
Revolving credit	2,686,180	-	-	2,686,180
<b>Floating rates</b>				
Term loans	106,645	129,363	-	236,008
	2,792,825	129,363	-	2,922,188

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 14. BORROWINGS (CONT'D)

(i) The following table sets out the remaining maturities of the borrowings of the Group (Cont'd):

	Within one year RM	One to five years RM	Over five years RM	Total RM
<b>Group</b>				
<b>31.12.2022</b>				
<b>Fixed rates</b>				
Term loan	5,238	-	-	5,238
Revolving credit	2,544,000	-	-	2,544,000
	2,549,238	-	-	2,549,238
<b>Floating rates</b>				
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

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

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>Group</b>				
<b>31.12.2023</b>				
Term loans	120,233	135,654	-	255,887
Revolving credit	2,695,011	-	-	2,695,011
	2,815,244	135,654	-	2,950,898
<b>Group</b>				
<b>31.12.2022</b>				
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
<b>Company</b>				
<b>31.12.2023</b>				
Financial guarantee contracts	73,189	-	-	73,189

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 14. BORROWINGS (CONT'D)

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

	31.12.2023	31.12.2022	
	Profit/(Loss)	Equity	Profit/(Loss)
	RM	RM	RM
<b>Effects of 5% changes to interest rate</b>			
<b>Group</b>			
Floating instruments	(682)	-	(5,113)

Sensitivity analysis of interest rate risk 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.

### 15. DEFERRED TAX LIABILITIES

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

	Group	
	31.12.2023	31.12.2022
	RM	RM
As at beginning of the financial year	2,333,901	1,296,745
Recognised in profit or loss (Note 19)	811,291	1,038,625
Exchange differences	366	(1,469)
As at end of the financial year	3,145,558	2,333,901
Presented after appropriate offsetting:		
Deferred tax liabilities, net	3,145,558	2,333,901

- (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	Other deductible temporary differences	Total
	RM	RM	RM
<b>Deferred tax assets of the Group</b>			
As at 1 January 2023	(40,935)	29,021	(11,914)
Recognised in profit or loss	15,070	(2,944)	12,126
Exchange differences	(1,916)	1,550	(366)
As at 31 December 2023 prior to off-setting	(27,781)	27,627	(154)
Off-setting	27,781	(27,627)	154
As at 31 December 2023 after off-setting	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 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 (Cont'd):

	Right-of- use assets RM	Other deductible temporary differences RM	Total RM
<b>Deferred tax assets of the Group</b>			
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 prior to off-setting	(40,935)	29,021	(11,914)
Off-setting	40,935	(29,021)	11,914
As at 31 December 2022 after off-setting	-	-	-
			<b>Group Withholding tax on undistributed profits/Total RM</b>
<b>Deferred tax liabilities of the Group</b>			
As at 1 January 2023			2,321,987
Recognised in profit or loss			823,417
As at 31 December 2023 prior to off-setting			3,145,404
Off-setting			154
As at 31 December 2023 after off-setting			3,145,558
As at 1 January 2022			1,499,908
Recognised in profit or loss			822,079
As at 31 December 2022 prior to off-setting			2,321,987
Off-setting			11,914
As at 31 December 2022 after off-setting			2,333,901

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 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	
	31.12.2023 RM	31.12.2022 RM
Unabsorbed tax losses, gross		
-Expires by 31 December 2025	47,215	44,716
-Expires by 31 December 2027	19,000	12,237
-Expires by 31 December 2028	167,049	158,207
-Expires by 31 December 2029	185,619	-
	418,883	215,160

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. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<b>Trade payables</b>				
Third parties	86,477	871,010	-	-
<b>Other payables</b>				
Other payables	1,374,020	166,425	153,453	59,473
Amount due to a subsidiary	-	-	-	36,684
Accruals	1,090,423	2,879,252	154,250	1,132,389
	2,464,443	3,045,677	307,703	1,228,546
<b>Total trade and other payables</b>	2,550,920	3,916,687	307,703	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 (31.12.2022: 30 to 120 days).
- (c) In the previous financial year, amount due to a subsidiary represented payments made on behalf, which were interest-free, unsecured and payable within next twelve (12) months or upon demand in cash and cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 16. TRADE AND OTHER PAYABLES (CONT'D)

(d) The currency exposure profile of the trade and other payables are as follows:

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Ringgit Malaysia	317,026	1,228,546	307,703	1,191,862
Thai Baht	2,121,198	1,817,131	-	-
United States Dollar	86,477	871,010	-	-
Singapore Dollar	26,219	-	-	36,684
	2,550,920	3,916,687	307,703	1,228,546

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

	31.12.2023		31.12.2022	
	Profit/(Loss) RM	Equity RM	Profit/(Loss) RM	Equity RM
<b>Effects of 5% changes to RM against foreign currencies</b>				
<b>Group</b>				
United States Dollar	(4,324)	-	(43,550)	-
Singapore Dollar	-	(1,311)	-	-
Thai Baht	-	(106,060)	-	(90,857)
<b>Company</b>				
Singapore Dollar	-	-	1,834	-

(f) 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.

#### 17. REVENUE

	Group	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
<i>Revenue from contracts with customers:</i>		
- Distribution of consumer packaged foods	123,585,255	123,366,764
- Trading of biomass fuel products	1,294,518	-
	124,879,773	123,366,764

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 17. REVENUE (CONT'D)

	Group	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
<i>Timing of revenue recognition:</i>		
Transferred at a point in time	124,879,773	123,366,764

- (a) Revenue from distribution of consumer packaged foods and trading of biomass fuel products are recognised at a point in time when the products have been transferred and coincide with the delivery of products and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of the products rendered.

There is no significant financing component in the revenue as the revenue is made on the normal credit terms not exceeding twelve (12) months.

- (b) Disaggregation of revenue from contracts with customers are set out in Note 4 to the financial statements, which has been presented based on geographical location from which the sales transactions originated.

#### 18. 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)	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	to 31.12.2022 RM
<i>After charging:</i>				
<i>Auditors' remuneration:</i>				
<i>Statutory audit</i>				
- Current year				
- BDO PLT	103,000	93,000	98,000	93,000
- Member firm of BDO PLT	129,758	113,104	-	-
- Other auditors	23,107	70,733	-	-
- Over-provision in prior year				
- Other auditors	(3,170)	-	-	-
<i>Non-statutory audit</i>				
- BDO PLT	7,000	934,000	7,000	1,519,000
- Member firm of BDO PLT	1,573	1,508	-	-
<i>Depreciation of:</i>				
- property, plant and equipment	346,195	253,967	89,508	52,465
- right-of-use assets	604,088	1,310,105	195,828	165,702
<i>Interest expense on:</i>				
- borrowings	136,964	240,194	-	-
- lease liabilities	26,329	110,018	12,643	16,991
Inventories written down	156,606	291,987	-	-
Listing expenses	60,697	3,931,907	60,697	2,658,115



## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 18. PROFIT/(LOSS) BEFORE TAX (CONT'D)

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

	Group		Company	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	6.8.2021 (date of incorporation) to 31.12.2022 RM
And crediting:				
Gain on disposal of property, plant and equipment	-	(7,216)	-	-
Interest income				
- short term deposits	(760,707)	-	(718,899)	-
- others	(18,177)	(2,408)	-	-
Realised gain on foreign exchange	(94,574)	(193,188)	(46,469)	-
Reversal of impairment losses on trade receivables	(12,898)	(66,072)	-	-
Net unrealised gain on foreign exchange	(266,153)	(505,429)	(283,382)	(504,510)

(a) Interest income

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

#### 19. TAX EXPENSE

	Group		Company	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	6.8.2021 (date of incorporation) to 31.12.2022 RM
Current tax expense based on profit for the financial year	2,175,879	1,908,209	-	-
Deferred tax (Note 15):				
Relating to origination and reversal of temporary differences	801,414	1,034,116	-	-
Under-provision in prior years	9,877	4,509	-	-
	811,291	1,038,625	-	-
	2,987,170	2,946,834	-	-

(a) Malaysian corporate income tax is calculated at the statutory tax rate of 24% (31.12.2022: 24%) of the estimated taxable profits for the fiscal year.

(b) Thai corporate income tax is calculated at the statutory tax rate of 20% (31.12.2022: 20%) of the estimated taxable profits for the fiscal year.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 19. TAX EXPENSE (CONT'D)

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

	Group		Company 6.8.2021 (date of incorporation)	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	to 31.12.2022 RM
Profit/(Loss) before tax	7,440,902	5,901,896	(2,719,886)	(6,113,090)
Tax at the Malaysian statutory tax rate of 24% (31.12.2022: 24%)	1,785,816	1,416,455	(652,773)	(1,467,142)
Tax effects in respect of:				
Non-allowable expenses	745,303	1,124,777	652,773	1,467,142
Deferred tax assets not recognised	48,894	38,240	-	-
Origination of temporary differences on undistributed retained earnings of subsidiaries*	823,417	822,079	-	-
Different tax rate in foreign jurisdiction	(411,758)	(424,049)	-	-
Exchange differences	(14,379)	(35,177)	-	-
	2,977,293	2,942,325	-	-
Under-provision in prior years - Deferred tax	9,877	4,509	-	-
	2,987,170	2,946,834	-	-

\* 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
<b>Group</b>			
<b>31.12.2023</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	1,554,122	-	1,554,122
<b>31.12.2022</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	264,513	-	264,513

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 20. EMPLOYEE BENEFITS

	Group		Company 6.8.2021 (date of incorporation)	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	to 31.12.2022 RM
Short term employees benefits	6,400,276	5,035,591	2,030,707	1,695,230
Contributions to defined contribution plan	278,954	209,351	181,844	195,015
	6,679,230	5,244,942	2,212,551	1,890,245

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM1,830,940 (31.12.2022: RM1,312,167) and RM1,575,356 (31.12.2022: RM1,315,073) respectively as disclosed in Note 21 to the financial statements.

#### 21. DIRECTORS' REMUNERATION

	Group		Company 6.8.2021 (date of incorporation)	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	to 31.12.2022 RM
<b>Directors of the Company:</b>				
Fees	180,000	150,000	180,000	150,000
Salaries and bonus	1,290,584	886,208	1,035,000	825,000
Contributions to defined contribution plan	112,450	105,300	112,450	131,625
Other employee benefits	247,906	170,659	247,906	208,448
	1,830,940	1,312,167	1,575,356	1,315,073

#### 22. EARNINGS PER SHARE

##### (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the consolidated 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	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Profit for the financial year attributable to ordinary equity holders of the parent (RM)	2,637,125	1,138,432
Weighted average number of ordinary shares in issue	707,004,452	587,525,000
Basic earnings per ordinary share (sen)	0.37	0.19

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 22. EARNINGS PER SHARE (CONT'D)

(b) Diluted

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

### 23. 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:

	<b>Group</b>	
	<b>1.1.2023 to 31.12.2023</b>	<b>1.1.2022 to 31.12.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Companies which Directors have substantial direct/indirect financial interests</b>		
Purchase of goods	-	684,657
Lease paid	1,763,920	1,691,277

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 years are disclosed in Note 9 and Note 16 to the financial statements respectively.

(c) 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.

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2023 to 31.12.2023</b>	<b>1.1.2022 to 31.12.2022</b>	<b>1.1.2023 to 31.12.2023</b>	<b>6.8.2021 (date of incorporation) to 31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Short term employees benefits	650,727	589,786	322,400	372,000
Contributions to defined contribution plan	44,271	41,387	41,912	49,657
	694,998	631,173	364,312	421,657

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 24. 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 2023 and 31 December 2022.

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

	Group	
	31.12.2023 RM	31.12.2022 RM
Borrowings (Note 14)	2,922,188	5,298,221
Lease liabilities on motor vehicles (Note 6)		
- owing to financial institutions	31,223	67,345
- owing to non-financial institutions	111,321	351,088
<b>Total debt</b>	<b>3,064,732</b>	<b>5,716,654</b>
<b>Total equity</b>	<b>60,847,025</b>	<b>27,710,603</b>
<b>Gearing ratio</b>	<b>0.05</b>	<b>0.21</b>

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, interest rate 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, receivables and financial guarantee given to bank for banking facilities granted to a subsidiary 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 30 days, extending up to 60 days 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 24. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

The risk concentration profile has been disclosed in Note 9 to the financial statements.

The maximum exposure to credit risk in relation to financial guarantee contract provided as credit enhancement to a subsidiary amounted to RM68,634 represents the outstanding banking facilities of the subsidiary as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contract

The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- (a) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- (b) the subsidiary is continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default of the subsidiary using internal and external information available. No impairment loss is recognised arising from financial guarantee as it is negligible.

(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.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Note 6, Note 14 and Note 16 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 are 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 6, Note 10 and Note 14 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2023

#### 24. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(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. The Group is exposed to foreign currency risk in respect of assets and liabilities of its foreign operations, which are denominated in Thai Baht and Singapore Dollar. 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 9, Note 10, Note 14 and Note 16 to the financial statements.

#### 25. CAPITAL COMMITMENT

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

	<b>Group and Company</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Approved but not contracted for:		
Acquisition of a warehouse and operational facility in Thailand	16,000,000	16,000,000

#### 26. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(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 Malaysia Securities Berhad, the Company issued its Prospectus for its IPO entailing the following:

- (i) Public issue of 124,600,000 new ordinary shares ("Public Issue Shares") at an IPO price of RM0.23 per ordinary 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 Malaysia Securities Berhad and the Company's entire enlarged issued share capital of 712,125,000 ordinary shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 16 January 2023.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 26. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) Incorporation of a subsidiary

On 21 March 2023, the Company incorporated a subsidiary known as Wellspire Global Trading Sdn. Bhd. with a paid-up share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each. The principal activities of the subsidiary are trading of food products and biomass fuel products. Subsequently, the Company subscribed an additional 900,000 ordinary shares for a cash consideration of RM900,000. The equity interest of the Company in the subsidiary remained unchanged as at end of the reporting period.



# ANALYSIS OF SHAREHOLDINGS

## AS AT 9 APRIL 2024

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

Size of Holdings	No. of Holders	% of Holders	No. of Issued Shares	% of Issued Shares
1 - 99	3	0.690	100	0.000
100 - 1,000	77	17.701	30,700	0.004
1,001 - 10,000	183	42.069	1,034,400	0.145
10,001 - 100,000	107	24.598	3,555,700	0.500
100,001 - less than 5% of issued shares	60	13.793	98,052,881	13.769
5% and above of issues shares	5	1.149	609,451,219	85.582
<b>TOTAL</b>	<b>435</b>	<b>100.000</b>	<b>712,125,000</b>	<b>100.000</b>

### LIST OF SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

No	Name of Substantial Holders	No. of Shares Held			
		Direct	%	Indirect	%
1	MO GUOPIAO	200,562,500	28.163	121,250,000 <sup>(1)</sup>	17.026
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	146,165,752	20.525	-	-
3	SILVER LINE CAPITAL SDN BHD	121,250,000	17.026	-	-
4	HE HAIBIN	84,412,500	11.853	-	-

Note:

<sup>(1)</sup> 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")

### DIRECTORS' SHAREHOLDINGS

(As per Register of Directors' Shareholdings)

No	Name of Directors	No. of Shares Held			
		Direct	%	Indirect	%
1	YANG HORMAT MULIA TENGKU DATO' SERI ABU BAKAR AHMAD BIN TENGKU TAN SRI ABDULLAH	700,000	0.098	-	-
2	FAZIDAH BT ZAKARIA	380,000	0.053	-	-
3	KUA CHIN TECK	700,000	0.098	-	-
4	MO GUOPIAO	200,562,500	28.163	121,250,000 <sup>(1)</sup>	17.026
5	SARANJIT WANG	5,750,000	0.807	1,000,000 <sup>(2)</sup>	0.14
6	TANG YUEN KIN	-	-	-	-
7	YANG SHING SING	700,000	0.098	-	-

Notes:

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

<sup>(2)</sup> Deemed interested by virtue of her spouse, Mr. Wang Zheng's shareholdings in the Company pursuant to Section 59(1)(c) of the Act.

## ANALYSIS OF SHAREHOLDINGS AS AT 9 APRIL 2024

### LIST OF TOP 30 SHAREHOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Registered Holder)

No.	Name of Substantial Holders	No. of Issued Shares	% of Issued Shares
1	MO GUOPIAO	200,562,500	28.163
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	146,165,752	20.525
3	SILVER LINE CAPITAL SDN BHD	121,250,000	17.026
4	HE HAIBIN	84,412,500	11.853
5	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ISLAMIC ABSOLUTE RETURN FUND	57,060,467	8.012
6	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG	20,620,000	2.895
7	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG (MGN - YHC0003M)	13,388,000	1.880
8	LIM SENG GEE	6,425,000	0.902
9	SARANJIT WANG	5,750,000	0.807
10	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	5,323,781	0.747
11	XIE, XIAOPAN	4,500,000	0.631
12	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	3,115,000	0.437
13	MRS. RONGRONG BHURIDEJ	3,000,000	0.421
14	SUN, ZHILIN	3,000,000	0.421
15	MIKRO SDN BHD	2,400,000	0.337
16	MOHAMED AZAM SHAH BIN AZIZ MOHAMMED	1,873,800	0.263
17	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND, LLC	1,793,400	0.251
18	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	1,701,200	0.238
19	CHOO MUN CHEN	1,353,600	0.190
20	MY QALAM (M) SDN BHD	1,200,000	0.168
21	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	1,174,100	0.164
22	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	1,156,600	0.162
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIN JIING SOON (7004317)	1,070,000	0.150
24	MOHAMED AZAM SHAH BIN AZIZ MOHAMMED	1,000,000	0.140
25	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO HOCK CHEONG	1,000,000	0.140
26	WANG, ZHENG	1,000,000	0.140
27	LEE SET KUAN	980,000	0.137
28	JOSEPHINE WONG CHAI YEIN	942,400	0.132
29	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SEW CHING (MY1749)	800,000	0.112
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD YANG HORMAT MULIA TENGGU DATO' SERI ABU BAKAR AHMAD BIN TENGGU TAN SRI ABDULLAH (12021385)	700,000	0.098
	<b>TOTAL</b>	<b>694,718,100</b>	<b>97.542</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Second Annual General Meeting (“**2<sup>nd</sup> AGM**”) of the Company will be held virtually through live streaming and online remote voting from the Broadcast Venue at Boardroom, Lot D/E, Level 12, Tower 1, Etiqa Twins, 11, Jalan Pinang, 50450 Kuala Lumpur, Malaysia (“**Broadcast Venue**”) on **Friday, 7 June 2024, at 10.00 a.m.** to transact the following businesses:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 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 RM300,000 for the period from 8 June 2024 until the next Annual General Meeting of the Company to be held in 2025. **Ordinary Resolution 1**  
(Please refer to Explanatory Note 2)
3. To approve the payment of Directors’ benefits of up to RM100,000 for the period from 8 June 2024 until the next Annual General Meeting of the Company to be held in 2025. **Ordinary Resolution 2**  
(Please refer to Explanatory Note 2)
4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 77(3) of the Constitution of the Company and, who being eligible, offer themselves for re-election: (Please refer to Explanatory Note 3)
  - (a) Mr Mo Guopiao
  - (b) Madam Saranjit Wang**Ordinary Resolution 3**  
**Ordinary Resolution 4**
5. To re-appoint Messrs BDO PLT as External Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**  
(Please refer to Explanatory Note 4)

### AS SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION**  
**AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 6**  
 (Please refer to Explanatory Note 5)

“THAT subject always to the Companies Act 2016 (“**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 empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors of the Company be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

## NOTICE OF ANNUAL GENERAL MEETING

7. **ORDINARY RESOLUTION  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED  
NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**Ordinary Resolution 7**  
(Please refer to  
Explanatory Note 6)

"THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**ACE Listing Requirements**"), approval be and is hereby given to the Company and its subsidiaries ("**the Group**") to enter into 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 30 April 2024 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 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."

8. 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  
30 April 2024

## NOTICE OF ANNUAL GENERAL MEETING

### 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 2<sup>nd</sup> 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 2<sup>nd</sup> AGM using the Digital Ballot Form (“**DBF**”) provided by Mega Corporate Services Sdn. Bhd. Shareholders who wish to participate at the 2<sup>nd</sup> AGM will therefore have to register via the link at <https://vps.megacorp.com.my/Zo4HtE>.

**Please read these Notes carefully and follow the procedures set out in the Administrative Notes for the 2<sup>nd</sup> AGM in order to participate remotely via DBF.**

#### 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 30 May 2024. 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.

## NOTICE OF ANNUAL GENERAL MEETING

### 2. APPOINTMENT OF PROXY (CONT'D)

- (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 at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.
  - (ii) By electronic means via email  
In the case of an appointment made via email transmission, the proxy form must be emailed to [AGM-support.Wellspire@megacorp.com.my](mailto:AGM-support.Wellspire@megacorp.com.my).
- (i) 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.
- (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, 5 June 2024 at 10.00 a.m.**
- (l) A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Poll Administrator, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. 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 2023**

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 2 – 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 27 February 2024, 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 proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors’ fees for the period from 8 June 2024 until the next Annual General Meeting (“AGM”) of the Company to be held in 2025 as and when their services are rendered. The Directors’ fees for the period from 8 June 2024 until the next AGM remains unchanged, based on the following fee structure:

Type of Fees	Amount
Independent Non-Executive Chairman	RM4,500.00 per month
Independent Non-Executive Director	RM3,500.00 per month

The proposed Ordinary Resolution 2 is to facilitate the payment of Directors’ benefits for the period from 8 June 2024 until the next AGM of the Company to be held in 2025.

The proposed structure of the Directors’ benefits for the period from 8 June 2024 until the next AGM of the Company to be held in 2025 are as follows:

Type of Benefits	Description	Amount
<b>Meeting Attendance Allowance</b>		
Board Meeting Allowances	Chairman of the Board	RM2,000.00 per meeting
	Members of the Board	RM1,500.00 per meeting
Board Committee Meeting Allowance	Members of the Committee	RM1,000.00 per meeting
Directors’ & Officers’ Liability Insurance	-	RM10,000.00

Payment of the Directors’ benefits will be made by the Company to the respective Directors as and when incurred if the proposed Ordinary Resolution 2 is passed by the shareholders at the 2<sup>nd</sup> 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.

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES ON ORDINARY BUSINESS (CONT'D)

### 3. **Ordinary Resolutions 3 to 4 – Re-election of Directors who retire in accordance with Clause 77(3) of the Constitution of the Company**

Mr Mo Guopiao and Madam Saranjit Wang who are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 2<sup>nd</sup> AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance (“MCCG”), the profiles of the aforementioned Directors are set out in the Directors’ profile on pages 13 to 15 of the Annual Report 2023. For the purpose of determining the eligibility of the Directors to stand for re-election at the 2<sup>nd</sup> AGM, the Board has, through the Nominating and Remuneration Committee (“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 3: Re-election of Mr Mo Guopiao as Chief Executive Officer and Executive Director**

Mr Mo Guopiao has over 14 years of experience in business management and investment, his exceptional business experience, expertise and network enable him to oversee the Group’s operation effectively and strategically. He actively leads the Group’s e-commerce and online sales initiatives and monitors trends in the distribution of consumer-packaged foods to enhance the presence of the Group’s brands. He has guided the Company in expanding the Group’s products offerings and boosting the Group’s revenue streams.

The Board is satisfied with his performance and contribution, as he has carried out his duties diligently and effectively and demonstrated his commitment to his roles, as well as his adherence to the fit and proper criteria as set out in the Directors’ Fit and Proper Policy.

#### **Ordinary Resolution 4: Re-election of Madam Saranjit Wang as Executive Director**

Madam Saranjit Wang has more than 22 years of experience in the consumer-packaged goods industry. With her unwavering guidance, she can strengthen the Group’s overall management and business growth in Thailand. She has the competency in delivering the corporate strategy of the Group.

The Board is satisfied with her performance and contribution, as she has carried out her duties diligently and effectively and demonstrated her commitment to her roles, as well as her adherence to the fit and proper criteria as set out in the Directors’ Fit and Proper Policy.

Based on the above, the Board collectively agreed and recommended the said Directors be re-elected as Directors of the Company at the 2<sup>nd</sup> AGM of the Company.

### 4. **Ordinary Resolution 5 – Re-appointment of Auditors**

The Audit Committee (“AC”) had at its meeting held on 27 February 2024 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 2024.

The Board has reviewed the recommendation of the AC and recommended the same to be tabled to the shareholders for approval at the 2<sup>nd</sup> AGM of the Company.



## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY NOTES ON SPECIAL BUSINESS

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

The proposed Ordinary Resolution 6, if passed, would renew the mandate granted to the Directors of the Company at the 1<sup>st</sup> Annual General Meeting of the Company held on 9 June 2023 (“1<sup>st</sup> AGM”), to empower the Directors to issue and allot ordinary shares of the Company from time to time and to 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, 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 or varied 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 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.

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 the 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 and the Company did not implement its proposal for new allotment of shares under the general mandate granted by the shareholders at the 1<sup>st</sup> AGM. 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.

6. **Ordinary Resolution 7 – Proposed Renewal of Shareholders’ Mandate and Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 7, if passed, will allow the Company and/or its subsidiaries renew its shareholders mandate for the recurrent related party transactions (“**RRPT**”) granted by the shareholders at the 1<sup>st</sup> AGM and to enter into a new shareholders mandate for the RRPTs 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 30 April 2024 for further information.

# STATEMENT ACCOMPANYING NOTICE OF 2<sup>ND</sup> ANNUAL GENERAL MEETING

(PURSUANT TO RULE 8.29 OF ACE MARKET LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD)

## [Ordinary Resolution 3 to 4]

The Directors who retire in accordance with Clause 77(3) of the Constitution of the Company and being eligible to offer themselves for re-election at the 2<sup>nd</sup> AGM are Mr Mo Guopiao and Madam Saranjit Wang (“Retiring Directors”).

The profile of the Retiring Directors who are standing for re-election as per Agenda item 4 of the Notice of 2<sup>nd</sup> AGM are as follows:

### A. Mr Mo Guopiao

(Chief Executive Officer and Executive Director)

<b>Nationality</b>	: Singaporean
<b>Age</b>	: 43
<b>Gender</b>	: Male
<b>Date of Appointment</b>	: 6 August 2021
<b>Length of Tenure (as at 31 December 2023)</b>	: 2 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 14 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 conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has acted in the best interest of the Company.

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

## STATEMENT ACCOMPANYING NOTICE OF 2<sup>ND</sup> ANNUAL GENERAL MEETING (PURSUANT TO RULE 8.29 OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

**B. Madam Saranjit Wang**  
(Executive Director)

<b>Nationality</b>	: Thailand
<b>Age</b>	: 44
<b>Gender</b>	: Female
<b>Date of Appointment</b>	: 1 March 2022
<b>Length of Tenure (as at 31 December 2023)</b>	: 1 year 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 22 years of experience in the consumer-packaged goods industry
- Founder and Managing Director, Bai Li Enterprise (2017 – present)
- Executive Director, Wellspire (2022 – present)

**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 conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has acted in the best interest of the Company.

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



## PROXY FORM

**WELLSPIRE HOLDINGS BERHAD**  
REGISTRATION NO. 202101026155 (1426455-A)  
(Incorporated in Malaysia)

CDS Account No.

No. of shares held

I/We \_\_\_\_\_ Tel: \_\_\_\_\_  
[Full name in block, NRIC/Passport/Company No.]  
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			
Email Address			

and

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email 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 2<sup>nd</sup> Annual General Meeting ("**2<sup>nd</sup> AGM**") of the Company to be held virtually through live streaming and online remote voting from the Broadcast Venue at Boardroom, Lot D/E, Level 12, Tower 1, Etiqa Twins, 11, Jalan Pinang, 50450 Kuala Lumpur, Malaysia ("**Broadcast Venue**") on **Friday, 7 June 2024 at 10.00 a.m.** or any adjournment thereof, and to vote as indicated below:

Item	Agenda	Ordinary Resolution ("OR")	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.			
2.	Approval of the payment of Directors' fees of up to RM300,000 for the period from 8 June 2024 until the next Annual General Meeting of the Company to be held in 2025	OR 1		
3.	Approval of the payment of Directors' benefits of up to RM100,000 for the period from 8 June 2024 until the next Annual General Meeting of the Company to be held in 2025	OR 2		
4.	(a) To re-elect Mr Mo Guopiao as Director	OR 3		
	(b) To re-elect Madam Saranjit Wang as Director	OR 4		
5.	Re-appointment of Messrs BDO PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration.	OR 5		
<b>Special Business</b>				
6.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016	OR 6		
7.	Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	OR 7		

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 \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature\*  
Member

\* Manner of execution:

- If you are an individual member, please sign where indicated.
- 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.
- 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:
  - at least two (2) authorised officers, of whom one shall be a director; or
  - 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 2<sup>nd</sup> 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 2<sup>nd</sup> AGM using the Digital Ballot Form ("DBF") provided by Mega Corporate Services Sdn. Bhd. Shareholders who wish to participate at the 2<sup>nd</sup> AGM will therefore have to register via the link at <https://vps.megacorp.com.my/Zo4HfE>.

Please read these Notes carefully and follow the procedures set out in the Administrative Notes for the 2<sup>nd</sup> AGM in order to participate remotely via DBF.

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 30 May 2024. 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 at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.
  - (ii) By electronic means via email  
In the case of an appointment made via email transmission, this proxy form must be emailed to [AGM-support.Wellsfire@megacorp.com.my](mailto:AGM-support.Wellsfire@megacorp.com.my).
- (i) 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.
- (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, 5 June 2024 at 10.00 a.m.**
- (l) A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Poll Administrator, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. 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 Poll Administrator  
**WELLSPIRE HOLDINGS BERHAD**  
(Registration No. 202101026155 (1426455-A))

c/o Mega Corporate Services Sdn. Bhd.  
(Registration No. 198901010682 (187984-H))  
Level 15-2, Bangunan Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur

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[www.wellspireholdings.com](http://www.wellspireholdings.com)

**WELLSPIRE HOLDINGS BERHAD**

202101026155 (1426455-A)

Lot D/E, Level 12, Tower 1, Etiqa Twins 11, Jalan Pinang, 50450 Kuala Lumpur, Malaysia.  
Tel: +603-9779 7066 E-mail: [info@wellspireholdings.com](mailto:info@wellspireholdings.com)