

THIS CIRCULAR TO THE SHAREHOLDERS OF WELLSPIRE HOLDINGS BERHAD (“WELLSPIRE” OR “THE COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not peruse the contents of this Circular in respect of the Proposed Renewal of Shareholders’ Mandate (as defined herein) as this is an Exempt Circular pursuant to Rule 2.1 of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities (“**Listing Requirements**”).

Bursa Securities has conducted a limited review on the contents of this Circular in respect of the Proposed New Shareholders’ Mandate (as defined herein) pursuant to Rule 4.1 of Guidance Note 22 of the Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



WELLSPIRE HOLDINGS BERHAD
(Registration No. 202101026155 (1426455-A))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE”); AND**
- (II) PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED NEW SHAREHOLDERS’ MANDATE”)**

(COLLECTIVELY, THE “PROPOSED SHAREHOLDERS’ MANDATE”)

The resolution in respect of the above Proposed Shareholders’ Mandate will be tabled as Special Business at the Second Annual General Meeting (“**2nd AGM**”) of Wellsfire which will be held virtually through live streaming and online remote voting provided via online registration at <https://vps.megacorp.com.my/Zo4HtE> from the Broadcast Venue at Boardroom, Lot D/E, Level 12, Tower 1, Etiqa Twins, 11, Jalan Pinang, 50450 Kuala Lumpur, Malaysia. The Notice of the 2nd AGM together with the Proxy Form are enclosed together with the Annual Report 2023 of the Company.

A member is entitled to attend, participate, speak and vote at the 2nd AGM of the Company or to appoint a proxy or proxies to attend, participate, speak and vote on your behalf. The Proxy Form must be lodged at the office of the Poll Administrator at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or alternatively, submitted via e-mail to AGM-support.Wellsfire@megacorp.com.my before the time and date indicated below should you unable to attend the meeting. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting remotely at the meeting if you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 5 June 2024, 10.00 a.m.
Date and time of the 2nd AGM : Friday, 7 June 2024, 10.00 a.m.

This Circular is dated 30 April 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
Annual Report 2023	: Annual Report of Wellspire for the financial year ended 31 December 2023
Bai Li Holdings	: Bai Li Holdings Co., Ltd. (Registration No.: 0135564024582)
Bai Li Enterprise	: Bai Li Enterprise Co., Ltd. (Registration No: 0155550000015)
Board	: Board of Directors of Wellspire
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Circular	: This Circular to Shareholders dated 30 April 2024 in relation to the Proposed Shareholders' Mandate
Directors	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon: (a) a director of the Company, its subsidiary or holding company; or (b) a chief executive officer of Company, its subsidiary or holding company.
EPS	: Earnings per share
Interested Director	: Saranjit Wang
Keymall Retail	: Keymall Retail Co., Ltd. (Registration No.: 0135563011363)
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
LPD	: 31 March 2024, being the latest practicable date prior to the printing and issuance of this Circular

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DEFINITIONS (CONT'D)

- Mandate Period** : The period during which the RRPT(s) are to be entered into for which the Proposed Shareholders' Mandate is being sought. This period shall commence immediately upon the passing of the ordinary resolution for the Proposed Shareholders' Mandate during the forthcoming AGM or any adjournment thereof until:
- (a) The conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM;
 - (b) The expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
 - (c) Revoked or varied by an ordinary resolution passed by the Shareholders in a general meeting;
- whichever is earlier
- Major Shareholder** : Means a person who has an interest or interests in one or more voting shares in Wellspire and the number or aggregate number of those shares is:
- (a) 10% or more of the total number of voting shares in Wellspire; or
 - (b) 5% or more of the total number of voting shares in Wellspire where such person is the largest shareholder of Wellspire.
- For the purpose of this definition, "**interest in shares**" has the meaning given in Section 8 of the Act and "**Major Shareholder**" includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such major shareholder of the Company or any other company which is its subsidiary or holding company
- NA** : Net Asset
- Proposed Shareholders' Mandate** : Collectively, the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate
- Related Party(ies)** : Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)
- RRPT(s)** : A transaction(s) entered into by the Group which involves the interest, direct or indirect, of a Related Party(ies), which is recurrent, of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of business of the Group
- RM and sen** : Ringgit Malaysia and sen, respectively
- Shareholders** : Registered holders of Wellspire Shares
- Substantial Shareholder** : Shall have the meaning given in Section 136 of the Act
- Vine Growth Holdings** : Vine Growth Holdings Private Limited (Registration No.: 202108747M)

DEFINITIONS (CONT'D)

- Wellspire Global Trading** : Wellspire Global Trading Sdn. Bhd. (Registration No.: 202301010497 (1504418-W))
- Wellspire or Company** : Wellspire Holdings Berhad (Registration No.: 202101026155 (1426455-A))
- Wellspire Group or Group** : Wellspire and its subsidiaries, collectively
- Wellspire Shares or Shares** : Ordinary shares in Wellspire

References to “we”, “us”, “our” and “ourselves” are to our Company and where the context requires, shall include our subsidiaries. All references to “you” in this Circular are referred to Wellspire’s Shareholders.

In this Circular, words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be reference to Malaysian time, unless otherwise specified. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

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WELLSPIRE HOLDINGS BERHAD
(Registration No. 202101026155 (1426455-A))
(Incorporated in Malaysia)

Registered Office

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

30 April 2024

Board of Directors:

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

To: The Shareholders’ of Wellspire

Dear Sir / Madam,

- (I) PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE”); AND**
- (II) PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED NEW SHAREHOLDERS’ MANDATE”)**

(COLLECTIVELY, THE “PROPOSED SHAREDHOLERS’ MANDATE”)

1. INTRODUCTION

At the 1st AGM of the Company held on 9 June 2023, the Shareholders had inter-alia, granted a mandate for Wellspire to enter into RRPT(s). The aforesaid Shareholders’ mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 2nd AGM, unless a renewal is obtained.

On 2 April 2024, the Board announced that the Company intends to seek the approval from its Shareholders at the forthcoming 2nd AGM for the Proposed Shareholders’ Mandate pursuant to Rule 10.09 of the Listing Requirements.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE, AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION THERETO TO BE TABLED AS A SPECIAL BUSINESS AT THE FORTHCOMING 2ND AGM OF THE COMPANY. THE NOTICE OF AGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THE ANNUAL REPORT 2023.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENT OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to the Rule 10.09(2) of the Listing Requirements, the Company may seek a mandate from its Shareholders to enter into RRPT(s) subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public;
- (b) the Shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Rule 10.09(1) of Listing Requirements as follows:

In relation to the Company's with a share capital which is less than RM60 million:

- (i) the consideration, value of assets, capital outlay or costs of the RRPT(s) is RM1 million or more; or
- (ii) the percentage ratios of such RRPT(s) is 1% or more;

whichever is the lower;

- (c) the Company's circular to Shareholders for the shareholder's mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities for perusal together with a checklist showing compliance with such information;
- (d) in a meeting to obtain Shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the RRPT(s).

The interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT(s);

- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT(s) entered into by the Group, exceeds the estimated value of the RRPT(s) disclosed under **Section 2.5** of this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement; and
- (f) Where a listed corporation has procured a shareholder mandate pursuant to Rule 10.09(2) of the Listing Requirements, the provisions of Rule 10.08 of the Listing Requirements will not apply.

2.2 Proposed Shareholders' Mandate

The Group had, in its ordinary course of business, entered into certain RRPT(s) and it is anticipated that the companies within Wellspire Group would, in the ordinary course of business, continue to enter into such transactions with the Related Party(ies), details of which are set out in **Section 2.5** of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Accordingly, the Company proposes to seek its Shareholders' approval for the Proposed Shareholders' Mandate for future RRPT(s) to be entered into during the Mandate Period.

These RRPT(s) which are necessary for the day-to-day operations of Wellspire Group, have been / will be based on transaction prices and on normal commercial terms, at arms' length, and have been / will be transacted on terms that are not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders.

2.3 Validity period for the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved at the forthcoming 2nd AGM, will take effect from the date of the passing of the ordinary resolution at the forthcoming 2nd AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM, at which time the Proposed Shareholders' Mandate will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of 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 resolution passed by Shareholders in a general meeting;

whichever is the earlier.

Thereafter, the approval from the Shareholders for the renewal of this Proposed Shareholders' Mandate will be sought at each subsequent AGM of the Company.

Transaction with any Related Party(ies), which do not fall within the ambit of the Proposed Shareholders' Mandate, will be subject to other applicable provisions of the Listing Requirements, the Act and/ or any applicable law.

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2.4 Principal activities of the Group

The principal activity of Wellspire is investment holding. The principal activities of the subsidiaries of Wellspire as at the LPD are as follows:

Name of Company	Effective Equity Interest (%)	Principal Activities
<u>Direct wholly-owned subsidiary of Wellspire</u>		
Vine Growth Holdings Private Limited	100.00	Investment holding company and provision of management consultancy services
Wellspire Global Trading Sdn. Bhd.	100.00	Trading of food products and biomass fuel products
<u>Subsidiary of Vine Growth Holdings</u>		
Bai Li Holdings Co., Ltd.	51.00	Investment holding company
<u>Subsidiary of Bai Li Holdings</u>		
Bai Li Enterprise Co., Ltd.	75.01	Distribution of consumer packaged foods
<u>Subsidiary held through Bai Li Enterprise</u>		
Keymall Retail Co., Ltd.	56.26	Online retailer of consumer packaged foods

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2.5 Information and Classes of Related Party(ies), Nature of RRPT(s) and Estimated Value

The classes and nature of the RRPT(s) which may and will be entered into by Wellspire with the related parties under Proposed Shareholders' Mandate are detailed as follows:

(i) Existing Shareholders' Mandate

The details of the existing RRPT(s) for which, approval for renewal is being sought at the forthcoming 2nd AGM under the Proposed Renewal of Shareholders' Mandate is as follows:

Transacting Related Party	Transacting Party within the Group	Interested Director/Major Shareholder and/or person connected to them	Nature of relationship	Nature of Transaction	Estimated value from the 1 st AGM up to the forthcoming 2 nd AGM ⁽¹⁾ (RM'000)	Actual value transacted from 1 st AGM up to LPD (RM'000)	Estimated value from the forthcoming 2 nd AGM up to the next AGM ⁽²⁾ (RM'000)
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 consumer packaged foods only	20,000	1,154	20,000

Notes:

- (1) *The Estimated Aggregate Value as disclosed in the preceding year's Circular to Shareholders dated 28 April 2023.*
- (2) *Due to the nature of the transactions, the actual value of the transactions may vary and are subject to change from the Estimated Aggregate Values disclosed above.*

(ii) New Shareholders' Mandate

The details of the new RRPT(s) for which, approval is being sought at the forthcoming 2nd AGM under the Proposed New Shareholders' Mandate are as follows:

Transacting Related Party	Transacting Party within the Group	Interested Director/Major Shareholder and/or person connected to them	Nature of relationship	Nature of Transaction	Actual value transacted up to LPD (RM'000)	Estimated value from LPD up to the forthcoming AGM ⁽¹⁾ (RM'000)	Estimated value from the forthcoming 2 nd AGM up to the next AGM ⁽¹⁾ (RM'000)
(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 Wellspire Global Trading – goods consist of snack foods only	⁽³⁾ -	⁽³⁾ -	5,000
(ii) Keymall Retail	Bai Li Enterprise	Saranjit Wang	Saranjit Wang is a Director and shareholder of Bai Li Enterprise. She is also the Director and indirect shareholder of Keymall Retail.	Sales of goods to Keymall Retail – goods consist of snack foods only	⁽²⁾⁽³⁾ 198	⁽³⁾ -	500

Notes:

- (1) Due to the nature of the transactions, the actual value of the transactions may vary and are subject to change from the Estimated Aggregate Values disclosed above.
- (2) Being the amount transacted from 10 June 2023 up to the LPD.
- (3) The aggregate percentage ratio of the RRPTs up to LPD and from LPD up to the forthcoming AGM is less than 5%.

2.6 Outstanding amount due and owing by Related Party(ies) under the RRPT(s)

As at the LPD, there is no outstanding amount due and owing to the Group by its Related Party(ies).

2.7 Review and disclosure procedures for the RRPT(s)

Below are the methods or procedures undertaken by the Group to ensure that the RRPT(s) contemplated are undertaken on transaction prices and on terms not more favourable to the related party(ies) than those generally available to the public and are not to the detriment of the minority shareholders:

- (i) A list of related party(ies) will be circulated to the Board and management of the Company. All related party(ies) of the Company and its subsidiaries are responsible for providing written notice to the Audit Committee of any potential related party(ies) transaction (“RPT”) and RRPT(s) involving him/her or person connected to him/her, including any additional information about the transaction that the Audit Committee may reasonably request.
- (ii) The RPT and RRPT(s) will be reviewed by the Audit Committee of the Company from time to time to ensure compliance with the Listing Requirements and applicable laws.
- (iii) The annual internal audit plan shall incorporate a review of all RRPT(s) entered into pursuant to the Proposed shareholders’ mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
- (iv) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RPT and RRPT(s) have been complied with and the review shall be done at every quarter together with a review of the quarterly results.
- (v) All RRPT(s) shall be disclosed in the annual report of the Company and a breakdown of the transactions pursuant to the Proposed shareholders’ mandate during the financial year in the following manner:
 - Aggregate value;
 - Nature/ type;
 - Names of the related party(ies) involved in each type of the RRPT(s); and
 - Relationship of the related party(ies) with the Company.
- (vi) In reviewing the RRPT(s), the Audit Committee shall review the terms thereof to determine whether such RRPT(s) will be conducted at arm’s length basis, on transaction prices and on normal commercial terms in the ordinary course of business and on terms not more favourable to the Related Party(ies) than those generally available to the public, and will not be detrimental to the minority shareholders or disadvantage to the Group. In its review and approval of such transactions, the Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals.
- (vii) At least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Party(ies) are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on the usual business practices of the Group to ensure the RRPT(s) are not detrimental to the Group.

- (viii) In the case of RRPT(s) where any of the Director and/or major shareholders has direct or indirect interest, he shall abstain from all deliberations and voting in respect of the said transaction. Where any member of the Audit Committee is interested in any transactions, that member shall abstain from all deliberations and voting in any matter relating to any decision to be taken by the Audit Committee with respect to such transactions.

2.8 Threshold of Authority

There is no specific threshold for approval of RRPT(s) within the Group. All RRPT(s) are subject to the approval of the Board after being reviewed by the Audit Committee.

2.9 Statement by the Audit Committee

The Audit Committee has seen and reviewed the procedures established in **Section 2.7** above and is of the view that:

- (i) the said procedures for the RRPT(s) are sufficient to ensure that the RRPT(s) will be made at arm's length and in accordance with the Company's normal commercial terms and are not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) the Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner.

The Audit Committee will review the RRPT(s) procedures and processes on an annual basis.

2.10 Disclosure in the Annual Report

Disclosure will be made in accordance with Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT(s) entered into during the financial year, amongst others, based on the following information:

- (i) the type of the RRPT(s) made; and
- (ii) the names of the Related Party(ies) involved in each type of the RRPT(s) made and their relationships with the Company.

The above disclosure will be made in the Company's Annual Report for each subsequent financial year after the Proposed Shareholders' Mandate has been approved and renewed.

In addition, if the actual value of the RRPT(s) entered into by the Group exceeds the estimated value of the RRPT(s) disclosed in the circular to shareholders on the Proposed Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.

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3. RATIONALE FOR AND BENEFIT OF THE PROPOSED SHAREHOLDERS' MANDATE

The RRPT(s) set out in **Section 2.5** of this Circular are recurring transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group. These transactions are expected to occur with some degree of frequency and could arise at any time. As these transactions may be time-sensitive in nature, it may be impractical for the Company to seek for shareholders' approval on a case-by-case basis prior to entering into such RRPT(s).

Furthermore, this will substantially reduce administrative time and expenses associated with the convening of general meetings on an ad-hoc basis, and allow manpower resources and time to be channeled towards attaining other corporate objectives.

The RRPT(s) above relates principally to the provision or receipt of goods in the ordinary course of Group's business, which includes, purchase of goods consisting of snack foods for the Group's distribution business, which are vital to the smooth conduct of the business operations of the Group.

In addition, the RRPT(s) are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed and timely commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT(s).

The incorporation of Wellspire Global Trading on 21 March 2023, is expected to be a catalyst for the Group's market expansion from Thailand into Malaysia. At the same time, Wellspire Global Trading could add value through the export of Malaysia's snack food products into the Thailand market.

Premise on the above, the Proposed Shareholders' Mandate is expected to contribute positively to the Group's overall earnings moving forward.

Further, the RRPT(s) are transacted on an 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. Therefore, the RRPT(s) are not detrimental to the interest of the minority shareholders of the Company.

4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSONS CONNECTED TO THEM

As at the LPD, the direct and/or indirect shareholdings of the Interested Director is as follows:

Interested Director	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Saranjit Wang	5,750,000	0.81	1,000,000	0.14

Accordingly, the Interested Director, namely Saranjit Wang has abstained and will continue to abstain from all Board deliberations and voting in the resolution pertaining to the Proposed Shareholders' Mandate.

The Interested Director will also abstain from voting on the resolution, in respect of her direct and indirect shareholdings, approving the Proposed Shareholders' Mandate at the forthcoming 2nd AGM.

The Interested Director has undertaken to ensure that the persons connected to her shall also abstain from voting in respect of their direct and indirect shareholdings on the resolution approving the Proposed Shareholders' Mandate at the forthcoming 2nd AGM.

Save as disclosed above, none of the other Directors, major shareholders and/or persons connected to them has any interest, direct or indirect, in relation to the Proposed Shareholders' Mandate.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the Shareholders at the forthcoming 2nd AGM of the Company to be convened or any adjournment thereof.

6. DIRECTORS' STATEMENT AND RECOMMENDATION

After due consideration of all aspects of the Proposed Shareholders' Mandate, the Directors (save for Saranjit Wang who is deemed interested in the Proposed Shareholders' Mandate) are of the view that the Proposed Shareholders' Mandate is in the best interest of the Company.

Accordingly, the Directors (save for Saranjit Wang) recommend that shareholders vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 2nd AGM.

7. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the Company's issued share capital and the shareholdings of the substantial shareholders as it does not involve any issuance of new Shares in the Company. As at the LPD, the Company does not have any convertible securities.

Barring any unforeseen circumstances, the Proposed Shareholders' Mandate is not expected to have any material effect on the NA, NA per share, gearing, earnings and EPS of the Group for the financial year ending 31 December 2023 but is expected to contribute positively to the Group's future earnings and EPS.

8. 2nd AGM

The ordinary resolution in respect of the Proposed Shareholders' Mandate as set out in the Notice of 2nd AGM contained in the Annual Report 2023 will be tabled at the forthcoming 2nd AGM of Wellspire.

The 2nd AGM of Wellspire will be conducted entirely through live streaming from the Broadcast Venue at Boardroom, Lot D/E, Level 12, Tower 1, Etiqa Twins, 11, Jalan Pinang, 50450 Kuala Lumpur, Malaysia, on Friday, 7 June 2024, at 10.00 a.m.

Shareholders **WILL NOT BE ALLOWED** to attend this 2nd AGM in person at the Broadcast Venue on the day of the meeting.

Please read the Notes in the Notice of 2nd AGM carefully and follow the procedures set out in the Administrative Guide for the 2nd AGM in order to participate remotely via Remote Participation and Voting facilities.

If you are unable to participate in this 2nd AGM, you may appoint a proxy(ies) by completing, sign and deposit the Proxy Form enclosed in the Annual Report 2023 in accordance with the instructions therein to the Poll Administrator at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or alternatively, submitted via e-mail to AGM-support.Wellspire@megacorp.com.my, not later than forty-eight (48) hours before the date and time set for holding the 2nd AGM or any adjournment thereof. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Guide to the 2nd AGM.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the 2nd AGM should you subsequently wish to do.

9. FURTHER INFORMATION

Shareholders are advised to refer to **Appendix I** in this Circular for further information.

Yours faithfully
For and on behalf of the Board
WELLSPIRE HOLDINGS BERHAD

MO GUOPIAO
Chief Executive Officer

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of the Company who individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading or incorrect.

2. MATERIAL CONTRACTS

As at LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular, save and except for, an underwriting agreement dated 12 December 2022 entered into between the Company and the underwriter for the underwriting of 36,000,000 Shares made available for application by the Malaysian public via balloting at the initial public offering ("IPO") price of RM0.23 per IPO Share in conjunction with the listing of the Company on the ACE Market of Bursa Securities.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the date of this Circular, neither the Group is engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any fact likely to give to any proceedings, which might materially and adversely affect the financial position or business of the Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of Wellspire during office hours from the date of this Circular up to and including the date of the forthcoming 2nd AGM:

- (i) Wellspire's Constitution;
- (ii) the material contract referred in Section 2 of this **Appendix I**; and
- (iii) the audited consolidated financial statements of Wellspire Group for the financial year ended 31 December 2022 and financial year ended 31 December 2023.

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APPENDIX II - EXTRACT OF THE NOTICE OF THE 2ND AGM

ORDINARY RESOLUTION 7

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

“THAT pursuant to Rule 10.09 of 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.”

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