

## **NI HSIN RESOURCES BERHAD (“NI HSIN” OR “THE COMPANY”)**

### **- BRAND PARTNERSHIP AGREEMENT BETWEEN RED ONE NETWORK SDN. BHD. AND BLACKBIXON SDN. BHD.**

#### **1. INTRODUCTION**

The Board of Directors (“Board”) of Ni Hsin is pleased to announce that Blackbixon Sdn. Bhd. (“Blackbixon”), a wholly-owned subsidiary of Ni Hsin Food & Beverages Sdn. Bhd., which in turn a wholly-owned subsidiary of Ni Hsin, had on 10 March 2021 entered into a Brand Partnership Agreement (“Agreement”) with Red One Network Sdn. Bhd. (“redONE”) to market products and/or services of Blackbixon to the customers of redONE, subject to and upon the terms and conditions of the Agreement.

#### **2. INFORMATION ON redONE**

redONE [Registration No. 20030106674 (619094-D)] is a private limited company incorporated on 20 June 2003 in Malaysia pursuant to the Companies Act and having its business address at A-3-42, Blok A, 3rd Floor, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan. The total issued share capital of redONE is RM4,000,000.00 comprising 4,000,000 ordinary shares.

The Shareholders and Directors of redONE are as follows:-

<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>%</b>
Red One Holdings Sdn Bhd	4,000,000	100

<b>Name of Directors</b>
Teh Beng Hock
Mohammad Farid Bin Mohmed Yunus
Tee Yew Yaw
Surachet Chaipatanont
Lim Yiek Lee

redONE is principally engaged in the business as a mobile virtual network operator, licensed by the Malaysian Communications and Multimedia Commission with the Network Service Provider Individual licence and the Application Service Provider Class licence.

#### **3. SALIENT TERMS OF THE AGREEMENT**

The salient terms of the Agreement are as follows:-

- 3.1 Blackbixon appoints redONE as partner to market products and/or services of Blackbixon to the customers of redONE subject to and upon the terms and conditions of the Agreement.
- 3.2 Blackbixon shall grant branding rights to redONE in its marketing, advertising and branding activities.
- 3.3 redONE shall provide all forms of marketing services and related customer acquisition services in promoting the products and/or services of Blackbixon in return for a referral fee and/or other compensation in accordance with the Brand Partnership Compensation Plan as stipulated in the Agreement.
- 3.4 redONE shall have non-exclusive right to use trademarks, tradename and/or any other intellectual property rights of Blackbixon in the promotion, advertisement and sale of the products and/or services throughout the duration of the Agreement, subject to written approval from Blackbixon.

- 3.5 redONE shall, with written approval from Blackbixon, carry out any promotional activities vide internet, social media platform, advertisement, public media channels for the product and/or services of Blackbixon.
- 3.6 redONE shall not cross market comparable products and/or services for other beverage companies that compete with Blackbixon during the term of the Agreement.
- 3.7 The Agreement shall be valid for a term of one (1) year from the date of the Agreement and shall be renewed annually unless terminated in accordance with the provisions of the Agreement.

#### **4. FINANCIAL EFFECTS OF THE AGREEMENT**

The Agreement will not have material effect on the earnings per share, net assets per share and gearing of the Company and its subsidiaries (“Group”) for the financial year ending 31 December 2021. However, it is expected to contribute positively to the future revenue of the Group.

#### **5. RATIONALE FOR THE AGREEMENT**

The rationale for the Agreement is to facilitate the diversification into the foods and beverages business and to grow the foods and beverages business by leveraging redONE’s network to market the products and/or services of Blackbixon.

#### **6. PROSPECT AND RISKS FACTORS RELATING TO THE AGREEMENT**

The Board views the brand partnership with redONE as a strategic one that will strengthen the marketing and promotional efforts for the Group’s food and beverages business. This Agreement is exposed to business risks inherent in the industry which include changes in political, economic and social conditions, government regulations and inflation.

#### **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors and/or major shareholders of Ni Hsin and/or persons connected with them have any interest, direct or indirect, in the Agreement.

#### **8. STATEMENT BY THE BOARD**

Having considered all aspects of the Agreement, the Board of Ni Hsin is of the opinion that the Agreement is in the best interest of the Group.

#### **9. APPROVALS REQUIRED**

The Agreement does not require approval from shareholders of the Company or any relevant government authorities.

This announcement is dated 10 March 2021.