SPRITZER®

SPRITZER BHD

必 胜 有 限 公 司

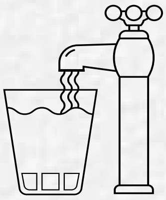
199301010611 (265348-V)

ANNUAL REPORT 2021


SPRITZER
Let the freshness flow

WATER FACTS

Drinking Water



2 billion people

26% of the world's population

lacked safely managed drinking water services in 2020

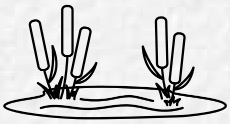
Water-use Efficiency

Since 2015 **water-use efficiency** has increased by

10%

globally

Ecosystems

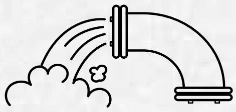


1/5

of the **world's river basins**

are experiencing rapid changes in the area covered by surface waters

Wastewater

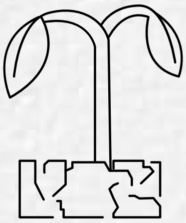


Globally

44%

of household wastewater is not safely treated

Water Stress

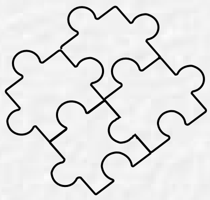


live in water-stressed countries

2.3 billion people

of which **733 million live in high and critically water-stressed** countries

Integrated Water Management



107 countries

are **not on track** to have sustainably managed water resources by 2030

Globally, the current rate of progress **needs to be doubled**

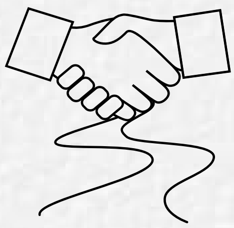
Water Quality

The lack of water quality data for

over 3 billion people

means that they are at significant risk because the health of their rivers, lakes and groundwater is unknown

Transboundary Cooperation



Only

24 **countries**

reported that all the rivers, lakes and aquifers that they share with their neighbours are covered by operational arrangements for cooperation

https://www.unwater.org/publications/summary-progress-update-2021-sdg-6-water-and-sanitation-for-all/

AGM

29th ANNUAL GENERAL MEETING

MONDAY,
MAY 30, 2022
10.30 a.m.

Ground Floor Function Room
Flemington Hotel
No 1, Jalan Samanea Saman
34000 Taiping
Perak Darul Ridzuan

What's Inside

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Independent
Non-Executive Chairman

**DATO' LIM A HENG @
LIM KOK CHEONG,
DPMP, JSM, JP**

Managing Director

**DATO' LIM KOK BOON,
DPMP**

Executive Director and
Group Chief Executive Officer

LIM SENG LEE

Executive Director

LAM SANG

Non-Independent
Non-Executive Directors

**CHOK HOOA @
CHOK YIN FATT, PMP**

TAN CHOW YIN

Independent Non-Executive
Directors

**DATO' IR. NIK MOHAMAD PENA
BIN NIK MUSTAPHA, DIMP**

**DATO' MOHD ADHAN BIN KECHIK,
DJMK, SMK**

LOH CHOOI NGAN
(Appointed on January 21, 2022)

AUDIT COMMITTEE

Chairman
**Dato' Ir. Nik Mohamad Pena bin
Nik Mustapha, DIMP**

Members
Chok Hooa @ Chok Yin Fatt, PMP
**Dato' Mohd Adhan bin Kechik,
DJMK, SMK**
Loh Chooi Ngan
(Appointed on January 21, 2022)

NOMINATION COMMITTEE

Chairman
**Dato' Ir. Nik Mohamad Pena bin
Nik Mustapha, DIMP**

Members
**Dato' Mohd Adhan bin Kechik,
DJMK, SMK**
Loh Chooi Ngan
(Appointed on January 21, 2022)

REMUNERATION COMMITTEE

Chairman
**Dato' Mohd Adhan bin Kechik,
DJMK, SMK**

Members
Tan Chow Yin
Loh Chooi Ngan
(Appointed on January 21, 2022)

EMPLOYEES' SHARE GRANT PLAN COMMITTEE

Chairman
Lim Seng Lee

Members
Dr Chuah Chaw Teo
Tan Chow Yin

EXECUTIVE COMMITTEE

Chairman
Lim Seng Lee

Members
Tan Chow Yin
Lam Sang
Sow Yeng Chong
Dr Chuah Chaw Teo
Lim Hock Lai
Chong Mee Yoong

COMPANY SECRETARIES

Sow Yeng Chong
SSM PC No 202008002172
MIA 4122

Tan Boon Ting
SSM PC No 202008002544
MAICSA 7056136

STOCK EXCHANGE LISTING

Listed on Main Market of
Bursa Malaysia Securities Berhad
Stock Code : 7103
Stock Name : SPRITZER

REGISTERED OFFICE

Lot 85, Jalan Portland
Tasek Industrial Estate
31400 Ipoh, Perak Darul Ridzuan
Tel No : 05-2911055
Fax No : 05-2919962
E-mail : info@spritzer.com.my
Website : www.spritzer.com.my

SHARE REGISTRAR

**Tricor Investor & Issuing House
Services Sdn Bhd
197101000970 (11324-H)**
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No : 03-27839299
Fax No : 03-27839222

AUDITORS

**Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)**
Level 2, Weil Hotel
292, Jalan Sultan Idris Shah
30000 Ipoh, Perak Darul Ridzuan
Tel No : 05-2540288
Fax No : 05-2547288

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
RHB Bank Berhad
AmBank (M) Berhad
Hong Leong Bank Berhad

CORPORATE STRUCTURE

As of December 31, 2021

SPRITZER BHD

- 100% ANGENET SDN BHD
- 100% CHUAN SIN SDN BHD
- 100% CHUAN SIN CACTUS SDN BHD
- 100% GOLDEN PET INDUSTRIES SDN BHD
- 100% PET MASTER SDN BHD
- 100% SPRITZER (HONG KONG) LIMITED
  - 100% SPRITZER (GUANGZHOU) TRADING LIMITED
- 100% SPRITZER ECOPARK SDN BHD
- 100% SPRITZER DEVELOPMENT SDN BHD

FINANCIAL HIGHLIGHTS

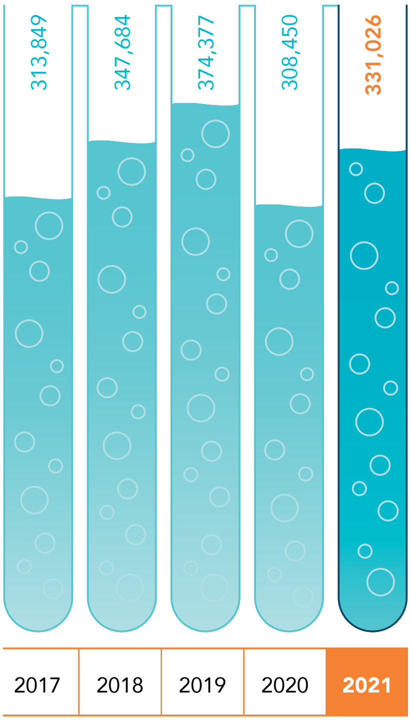
REVENUE	PROFIT BEFORE TAX	PROFIT AFTER TAX
RM331.0 million	RM30.3 million	RM24.2 million

Financial year ended	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Revenue (RM'000)	**331,026**	308,450	374,377	347,684	313,849
Revenue growth (%)	**7.3**	(17.6)	7.7	10.8	(1.5)
Profit before interest, tax, depreciation and amortisation (RM'000)	**49,944**	53,609	57,711	48,525	49,964
Profit before taxation (RM'000)	**30,345**	34,644	41,299	33,856	35,272
Profit attributable to owners of the Company (RM'000)	**24,239**	35,660	31,249	24,225	25,478
Earnings per share (sen)					
- Basic	**11.5**	17.0	14.9	11.5	13.8
- Diluted	**11.2**	16.6	14.6	11.5	13.8
Dividend per share (sen)	**4.5**	4.5	4.5	3.5	5.5
Dividend payout ratio (%)	**39**	26	30	30	45
No. of shares in issue (less treasury shares) ('000)	**209,969**	209,969	209,969	209,969	209,969
Total equity (RM'000)	**462,750**	444,003	415,280	389,204	376,471
Net debt to equity ratio (*) (%)	**-**	-	-	-	-
Net assets per share (RM)	**2.20**	2.11	1.98	1.85	1.79
Share price at 31 December	**2.10**	1.97	2.25	2.10	2.35
Market capitalisation (RM'000)	**440,934**	413,638	472,430	440,934	493,427

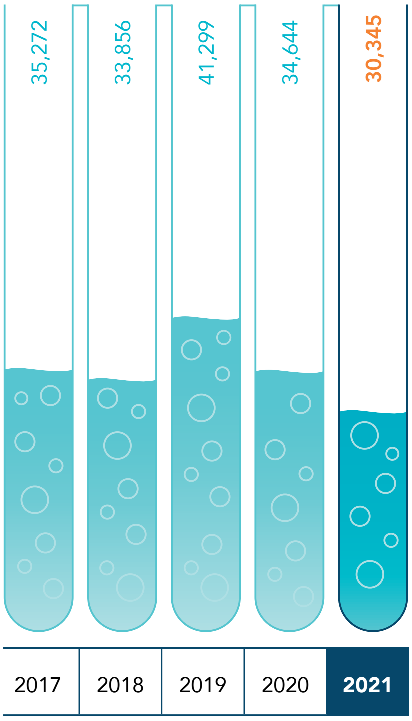
(*) Based on net debt (total borrowings less cash and cash equivalents) expressed as a percentage of total equity.

FINANCIAL HIGHLIGHTS

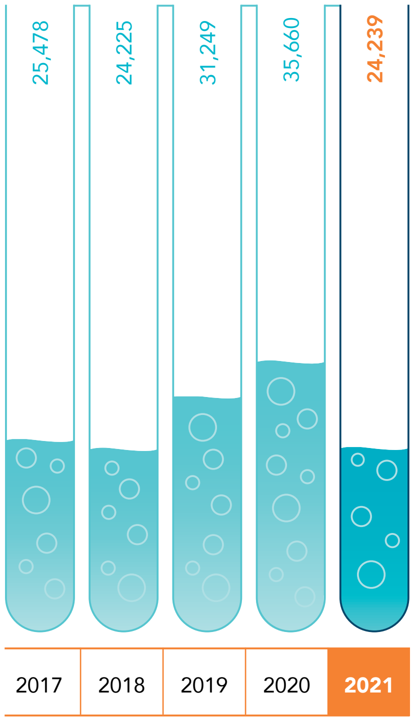
REVENUE
(RM'000)



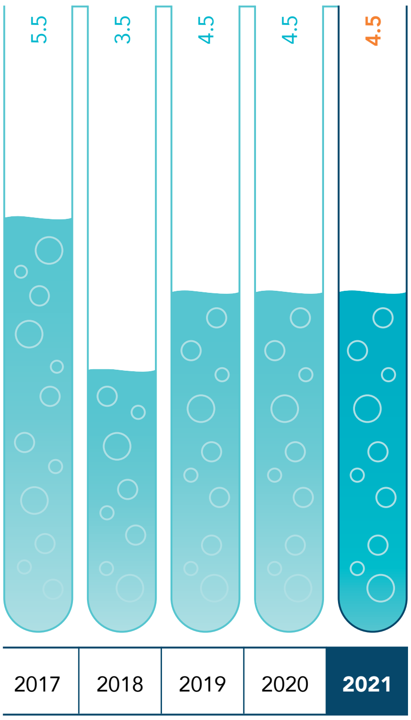
PROFIT BEFORE TAXATION
(RM'000)



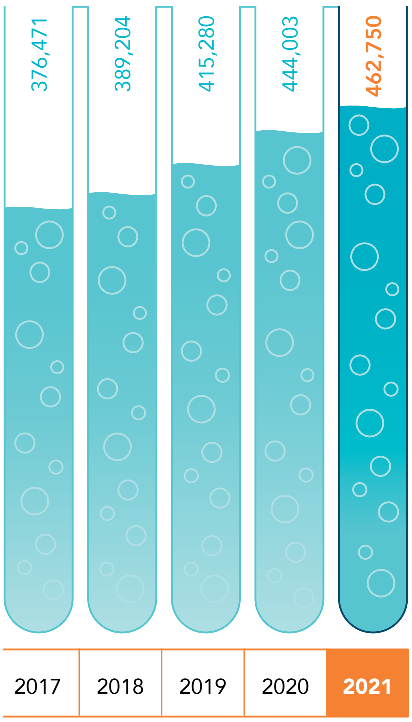
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM'000)



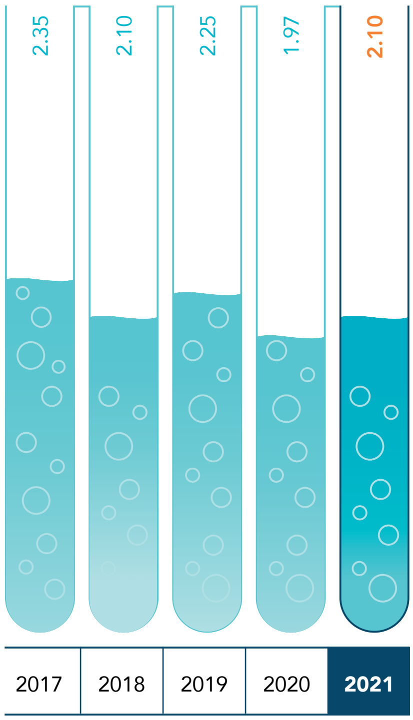
DIVIDEND PER SHARE
(SEN)



TOTAL EQUITY
(RM'000)



SHARE PRICE
(RM)



CHAIRMAN'S STATEMENT

> "On behalf of the Board of Directors of Spritzer Bhd, I am pleased to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended December 31, 2021."

The COVID-19 pandemic continued to impact the global and Malaysian economic landscape in 2021. As the vaccinations became available and with the introduction of our National COVID-19 Immunisation Programme, the domestic economy gradually recovered. Malaysia's full year gross domestic product ("GDP") improved by 3.1% in 2021 (2020: -5.6%) amidst the challenging global and domestic economic environment. In this second year of the pandemic, the continued use of drastic containment measures such as isolation, lock-down and closures, had severely curtailed economic activities. As a bottled water manufacturer, the Group has been allowed to operate throughout the various movement restriction periods. However, the much-reduced business activities during these movement control periods continued to affect the sales of our bottled water. The Spritzer Group managed to record a moderate increase in revenue of 7% to RM331.0 million (2020: RM 308.4 million) in the financial year ended December 31, 2021.

FINANCIAL PERFORMANCE

Despite the improved revenue of RM331.0 million (2020: RM308.4 million), profit before tax has decreased by 12% to RM30.3 million (2020: RM34.6 million) due mainly to the higher raw material and packaging costs. However, the profit after tax has decreased significantly by 32% to RM24.2 million (2020: RM35.7 million) due mainly to a tax income of RM1.0 million in year 2020. The tax income of RM1.0 million arose mainly due to the utilisation of a Special Reinvestment Allowance ("SRA") and the recognition of deferred tax assets on unutilised SRA. This SRA is one of the incentives contained in the Pelan Jana Semula Ekonomi Negara ("PENJANA") announced on June 5, 2020.

REVENUE	PROFIT BEFORE TAX	PROFIT AFTER TAX	DIVIDEND
RM331.0 million	RM30.3 million	RM24.2 million	4.5 sen
(2020: RM308.5 million)	(2020: RM34.6 million)	(2020: RM35.7 million)	(2020: 4.5 sen)

DIVIDEND

The Directors have proposed a first and final dividend of 4.5 sen (2020: 4.5 sen) per share in respect of the financial year ended December 31, 2021, which is subject to the approval of the shareholders by the Company at the forthcoming Annual General Meeting. The current dividend payout ratio is 39% (2020: 26%).

LAND FOR EXPANSION

On March 25, 2021, we had signed a sale and purchase agreement with Trong Oil Palm Estates Sdn Bhd to acquire 1,227.6 acres of land at RM76.1 million for our future expansion of an additional mineral water plant. The property, about 15 km from our mineral water plant at Air Kuning, Taiping, is strategically located at Bukit Gantang, Perak which can be easily accessed from (i) the North South Expressway via the Changkat Jering Interchange; and (ii) the West Coast Expressway via the proposed Trong Interchange. The acquisition is in line with our longer-term expansion plan of sustaining our market leadership position in the bottled water industry. The acquisition is now pending the approval of the Estate Land Board for the transfer of the property from the vendor to the purchaser.

During the financial year, we have expanded the land bank of our mineral water plants in Taiping and Yong Peng, by 7.4 acres and 6.1 acres, respectively with the acquisition of five pieces of land for a total consideration of RM3.5 million.

In January 2022, we have acquired two pieces of land adjoining to our mineral water plant in Taiping, measuring approximately 60 acres for a total consideration of RM6.2 million.

CHAIRMAN'S STATEMENT

CONTRIBUTION TO COVID-19 FRONT-LINERS AND FLOOD VICTIMS

During the financial year, we continued to contribute our bottled water to the COVID-19 front-liners for their dedications and tireless efforts in fighting against the COVID-19 pandemic.

In the massive flood affecting various locations in Peninsular Malaysia in December 2021, we contributed our bottled water via the Malaysian Civil Defence Force and Red Crescent to the flood victims and rescue crew in the selected relief centres.

In March 2022, the continuous heavy rain in Peninsular Malaysia had caused flooding in all eight districts in Terengganu affecting more than 17,000 people at 87 relief centres. We have arranged, with the help of the Ministry of Domestic Trade and Consumer Affairs, to send Spritzer Natural Mineral Water to a centralised aid centre for flood victims located at the Hulu Terengganu Member of Parliament's office, as part of efforts to alleviate their suffering.

PROSPECTS

The Malaysian economy is expected to grow by 5.3% – 6.3% in 2022 and to be mainly driven by continued external demand and improving domestic economic activities. Business activities and consumer consumption are expected to improve with the transition to endemic phase of COVID-19 in April 2022. However, there remain much economic uncertainties and risks as the coronavirus infection rate is still high. The Group will continue to exercise caution in the conduct of its business activities and ensuring adherence to the requisite health and safety requirements issued by the Government. The safety and health of our employees, customers, consumers and business partners will remain our priority. We will focus on sustaining our business operations and safeguarding our leading position in the Malaysian bottled water industry.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I thank our consumers, customers and shareholders for their continued support. I would also like to thank our business associates, bankers and financiers and the various government authorities for their continued support, assistance and guidance.

Our relatively decent results in this financial year were made possible by the dedication and commitment of our employees. I thank the management and staff of our Group for their great efforts, hard work and contribution towards sustaining the performance of the Group.

Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

For The Financial Year Ended December 31, 2021

ECONOMIC OVERVIEW

The ongoing COVID-19 pandemic continued to impact the global and domestic economic activities in 2021. The world was slowly adjusting to the new normal and vaccinations became available, the global economy gradually recovered. The Malaysian economy was also gradually recovering in 2021. However, as the local daily COVID-19 cases began to surge in May 2021, the Government had to introduce stricter nationwide containment measures to curb the spread of coronavirus. The swift implementation of the National COVID-19 Immunisation programme enabled more economic sectors to gradually reopen in the third quarter of the year. Strong exports and improved domestic demand provided the support for economic growth in second half of 2021. Malaysia's full year gross domestic product ("GDP") recorded a moderate growth of 3.1% in 2021 (2020: -5.6%) amidst the challenging global and domestic economic environment. Nevertheless, the year 2021 was also volatile where the levels of economic activities were closely linked to the various movement control measures imposed by the Government.

BUSINESS AND OPERATIONS OVERVIEW

We are a pioneer and the industry leader in the Malaysian bottled water industry with more than 30 years of manufacturing, distribution and branding excellence. We started the production and sale of bottled water products in year 1989. Listed in September 2000, Spritzer Bhd is the first and only bottled water company listed on Bursa Malaysia Securities Berhad. Our Group is principally involved in the manufacturing, marketing and selling of a comprehensive range of bottled water products. With annual turnover exceeding RM300 million and a market capitalisation of RM441 million as of December 31, 2021 (2020: RM414 million), our Group is the largest and most integrated bottled water producer in Malaysia with a commanding market share of about 40%. Our core brands are *Spritzer, Spritzer Sparkling, Spritzer Tinge, Spritzer So Tinge, Cactus, Cactus Sparkling, Desa* and *Summer* which are also the leading brands in their respective market segments in the Malaysian bottled water industry.

Our Group has three bottled water plants and one plastic packaging manufacturing plant in Malaysia. Our main mineral water plant is located on a 330-acre site in Taiping, Perak with the second mineral water plant in Yong Peng, Johor and the third drinking water plant in Shah Alam, Selangor. Our plastic packaging manufacturing plant is located in Ipoh, Perak. In 2020, the Group had completed its integrated warehouse with automated storage and retrieval system ("ASRS") which has a capacity of 15,000 pallets. The commissioning of the ASRS warehouse at our main mineral water plant in Taiping has greatly improved the efficiency and effectiveness of our supply chain management and at the same time minimising the use of forklifts and thus reduces our carbon footprint. The Group has an annual production capacity of about 850 million litres of bottled water as of December 31, 2021.

Our operations are primarily in Malaysia and our export sales currently make up of less than 10% of our Group's revenue. We also have a wholly owned trading company in Guangzhou, China which has, in April 2016, started its operations of selling and wholesale distribution of bottled water products in China. The Group also exports its mineral water products under the brand name ACILIS by Spritzer to United Kingdom and Netherlands.

The Group also owns and manages the Spritzer EcoPark. This recreational park is situated within our 330-acre mineral water plant in Taiping, Perak. The Spritzer EcoPark, which has been in operations since August 2015, has an 18-hole mini-golf course, a cafeteria, a discovery tunnel and a kids' arts and craft centre.

As of December 31, 2021, the Group has a workforce of 809 (2020: 837) employees.

STRATEGIC DIRECTION

Being the largest, most integrated and the leading bottled water company in Malaysia, we are committed to delivering high quality bottled water products to all Malaysians with special focus on health benefits and at the same time, catering to the sophisticated taste preference and the hydration needs of our consumers. Our strategy is to strengthen our leading position in the Malaysian bottled water industry by constantly improving our processes across our value chain and improving our market coverage and sales volume. We will continue to strengthen our position in the markets where we are currently operating. We are also exploring business opportunities in the regional markets. We are also actively exploring and have started introducing sustainable packaging alternatives for our bottled water products.

SUSTAINABLE PACKAGING

FINANCIAL REVIEW

Financial Highlights

	Financial year ended		Change	
	31.12.2021	31.12.2020	Amount	%
Revenue (RM'000)	331,026	308,450	22,576	7
Profit before taxation (RM'000)	30,345	34,644	(4,299)	(12)
Profit after taxation (RM'000)	24,239	35,660	(11,421)	(32)
Pre-tax margin (%)	9.2	11.2	(2.0)	
Net margin (%)	7.3	11.6	(4.3)	
Basic earnings per share (sen)	11.5	17.0	(5.5)	
Diluted earnings per share (sen)	11.2	16.6	(5.4)	
Dividend per share (sen)	4.5	4.5	-	
Dividend payout ratio (%)	39	26	13	
Current ratio (time)	3.2	3.5	(0.3)	
Quick ratio (time)	2.7	2.9	(0.2)	
Number of shares in issue (less treasury shares) ('000)	209,969	209,969	-	
Total equity (RM'000)	462,750	444,003	18,747	4
Net debt to equity ratio (%)	-	-	-	
Total assets (RM'000)	557,947	516,549	41,398	8
Total liabilities (RM'000)	95,197	72,546	22,651	31
Net assets per share (RM)	2.20	2.11	0.09	4
Market capitalisation (RM'000)	440,934	413,638	27,296	7

Revenue, Results and Dividend

The Group recorded a moderately higher revenue of RM331.0 million in the financial year ended December 31, 2021, an increase of 7% from the previous year's revenue of RM308.5 million, mainly due to the increase in sales volume. However, the current year revenue is still 12% lower than our pre-pandemic annual revenue of RM374.4 million recorded in year 2019. The revenue growth is mainly attributed to our much higher sales in the final quarter of the year after movement restrictions were relaxed and the reopening of more economic sectors as Malaysia moved into Phase 4 of the National Recovery Plan. Despite the higher revenue recorded, the profit before tax of the Group for the year ended December 31, 2021 was lower by 14% at RM30.3 million (2020: RM34.6 million) mainly due to higher raw material and packaging costs. Nonetheless, the profit after tax has decreased significantly by 32% to RM24.2 million (2020: RM35.7 million) due mainly to a tax income of RM1.0 million in year 2020. The tax income of RM1.0 million arose mainly due to the utilisation of a Special Reinvestment Allowance ("SRA") and the recognition of deferred tax assets on unutilised SRA. This SRA is one of the incentives contained in the Pelan Jana Semula Ekonomi Negara ("PENJANA") announced on June 5, 2020. The Group's earnings per share and diluted earnings per share for the year stood at 11.5 sen and 11.2 sen (2020: 17.0 sen and 16.6 sen) respectively.

The pre-tax profit margin has fallen to 9.2% from 11.2% mainly due to the higher input material costs and lower average selling price recorded in the current year. The net margin was much lower at 7.3% from 11.6% due mainly to the lower pre-tax margin and the aforesaid tax income of RM1.0 million.

The directors, after taking into considerations of our earnings and cash flow requirement and the ongoing COVID-19 pandemic, have proposed a first and final dividend of 4.5 sen (2020: 4.5 sen) per share in respect of the financial year ended December 31, 2021. The current dividend payout ratio is higher at 39% (2020: 26%).

Cash Flow

	2021 RM'000	2020 RM'000
Net profit after adjusting for depreciation and other items	53,888	59,360
Working capital movements	(12,768)	18,937
Income tax and interest received	(5,540)	(7,493)
Cash flow from operating activities	**35,580**	**70,804**
Capital investment	(24,752)	(26,231)
Net investments in cash funds	(2,500)	(26,600)
Others	(527)	225
Cash flow after investing activities	**7,801**	**18,198**
Dividend paid	(9,449)	(9,449)
Net proceeds from revolving credits	2,256	232
Repayment of term loans	(1,159)	(2,013)
Others	(786)	(681)
Net (decrease)/increase in cash and cash equivalents	**(1,337)**	**6,287**

The Group's cash flow has remained healthy and continued to generate positive cash flow from its business activities. In year 2021, the Group generated a net cash from operations of RM35.6 million (2020: RM70.8 million). The cash outflow for the purchase of plant, property and equipment in 2021 amounted to RM24.8 million (2020: RM26.2 million) which included payments for acquisition of land located in Taiping and Yong Peng amounting to RM11.5 million. The Company also paid the first and final dividend of 4.5 sen per share in respect of the financial year ended December 31, 2020, amounting to RM9.4 million to its shareholders on June 18, 2021. With the healthy cash flow, the Group was able to sustain its net cash position throughout 2021.

Financial Position and Gearing

The financial position of the Group has been further strengthened with the net profit of RM24.2 million recorded during the year. Our total assets have increased by RM41.4 million or 8% from RM516.5 million on December 31, 2020 to RM557.9 million on December 31, 2021. Our total liabilities have increased by RM22.7 million or 31% from RM72.5 million on December 31, 2020 to RM95.2 million on December 31, 2021. The Group's ability to meet its short term financial and debt obligations has remained strong. As of December 31, 2021, the current ratio was high at 3.2 times (2020: 3.5 times) and similarly, the quick ratio was also high at 2.7 times (2020: 2.9 times). Throughout the year 2021 and as of December 31, 2021, the Group was in a net cash position.

Total Equity and Market Capitalisation

Resulting from the net profit RM24.2 million generated during the year and the recognition of the share-based payment of RM4.2 million and after the payment of the final dividend of RM9.4 million in respect of the preceding financial year, our total equity has increased by RM18.7 million or 4% from RM444.0 million on December 31, 2020 to RM462.8 million on December 31, 2021. As of December 31, 2021, the net asset value per share stood at RM2.20 (2020: RM2.11). There was no new issue of ordinary shares during the year and the total number of ordinary shares (net of treasury shares) in issue and fully paid as at the end of financial year was unchanged at 209,968,727. As of December 31, 2021, the Company's market capitalisation has increased by 7% to RM440.9 million from RM413.6 million as of December 31, 2020 due to a higher market price per share of RM2.10 (2020: RM1.97).

RISKS

The Group is sensitive to various risks such as pandemic risk, reputation risk, business and operations risk and financial risk. The Group's risk management framework is designed to enable the material risks to be identified, analysed, assessed and managed in order to prevent or minimise possible losses.

COVID-19 Pandemic Risk

The on-going COVID-19 pandemic has created many operational and sustainability challenges for many businesses. The Group has put in place appropriate Standard Operating Procedures which adhere to the safety and health requirements issued by the Government. The safety and health of our employees, customers, consumers and business partners will remain our priority. During the year, we sponsored COVID-19 vaccination and the bi-weekly Antigen Rapid tests for all our employees. We are conserving our resources and taking appropriate steps to ensure the sustainability of our business operations.

Reputation Risk

Being the leading bottled water company with dominant market share, our core brands have high brand equity. To sustain and to enhance the image and reputation of the Group and our branded products, we are firmly committed to high product quality and cultivate strong discipline to improve continuously. We cultivate ethical and responsible business behaviour with a strong culture to manage and to ensure compliance with the applicable standards, internal policies and external rules and regulations. We invest in and focus on effective communication, image and brand building.

Business Operations Risk

Our significant business operations risks include the risk of adequacy and suitability of water supply, supply chain risk, business disruption risk, customer/consumer loyalty risk and competition risk. We have suitably qualified and experienced personnel to manage our business operations and we have established proper business processes to ensure the proper mitigation and management of our business operations risks. We constantly strive to improve the efficiency of our entire value chain.

Financial Risk

Our key financial risks are credit risk and liquidity and cash flow risk. We have established proper credit evaluation and control processes to manage the credit risk of our receivables. We practise prudent liquidity risk management to minimise the mismatch of our financial assets and financial liabilities and we have adequate credit facilities and resources for contingency funding requirement. The Group has a healthy balance sheet and strong financial capability to manage its financial risk.

AWARDS AND RECOGNITIONS

We continue to receive recognitions from prestigious and reputable organisations for our core brands, quality product and excellent manufacturing facilities.

We have received the following awards for year 2021:

The Superior Taste Award 2021 by The International Taste and Quality Institute, Belgium. We garnered the maximum 3 stars after scoring more than 90% by 3 different panels of judges who are selected Michelin chefs and Sommeliers from prestigious European culinary associations.

Trusted Brand 2021 Platinum Award to Spritzer brand and Trusted Brand 2021 Gold Award to Cactus brand by Reader's Digest. This is the 20th consecutive year that Spritzer has won this award. Our Cactus brand has also for the 8th consecutive year, won the Gold Award. These recognitions are fair reflection of our Spritzer and Cactus brands as the No. 1 and No. 2 mineral water brand respectively in Malaysia. The Gold Trusted Brand Awards are given to brands that scored significantly higher than their rivals while the Platinum Trusted Brand Awards are given to brands that performed exceptionally, winning their category with a score that vastly outpolled their nearest competitor. We have always treasured the Readers' Digest Trusted Brand Award as the winning brands are voted by the consumers themselves and using a simple technique – asking consumers which brands they trust the most.

Putra Brand Awards 2021, Beverage – Non-alcoholic, Bronze winner. This is the seventh time that Spritzer has won the Putra award. The Putra Brand Awards, an initiative supported Branding Association of Malaysia, the Malaysian Advertisers Association and Media and supported by Malaysian External Trade Development Corporation ("MATRADE"), is a brand valuation award measured by consumer preferences. The winners were chosen via an online survey by nearly 6,000 consumers nationwide, making it the largest brand research sampling of its kind and the most prestigious consumer award in the country.

Brand of the year 2021 National Award in the water category by the World Branding Forum. This recognition is truly a powerful endorsement of our efforts to become a world-class bottled water player. Winners of this premier awards programme of the World Branding Forum are judged through three streams – Brand Valuation. Consumer Market Research and Public Online Voting, and are assessed and voted by consumers from around the world; the shortlisted topmost brands were then judged by World Branding Forum Advisory Council to be truly exceptional.

We are extremely proud and thankful for having received the above highly valuable and prestigious awards. Such recognitions will certainly motivate us to strive for greater excellence.

PROSPECTS

The Malaysian economy is expected to grow by 5.3% – 6.3% in 2022 and to be mainly driven by continued external demand and improving domestic economic activities. Business activities and consumer consumption are expected to improve with the transition to endemic phase of COVID-19 in April 2022. However, there remain much economic uncertainties and risks as the coronavirus infection rate is still high. The Group will continue to exercise caution in the conduct of its business activities and ensuring adherence to the requisite health and safety requirements issued by the Government. The safety and health of our employees, customers, consumers and business partners will remain our priority. We will focus on sustaining our business operations and safeguarding our leading position in the Malaysian bottled water industry.

We will continue to invest in our core brands and further automate and enhance our production processes and capacity. We will focus our efforts on introducing sustainable packaging alternatives for our bottled water products. We will continue to strengthen the differentiation of Spritzer products by highlighting the benefits of our silica rich mineral water and also the absence of microplastics in Spritzer natural mineral water in laboratory tests conducted by SIRIM Berhad.

The Group is also taking prudent measures to monitor and manage the higher input and operating costs and at the same time, actively taking steps to grow its online channel and as far as possible, to expand the overseas market. We will focus on sustaining our sales revenue and to safeguard our market share in the bottled water industry.

APPRECIATION

We thank our employees for their continued hard work and dedication and for having to face with the various challenges caused by the pandemic during the financial year under review.

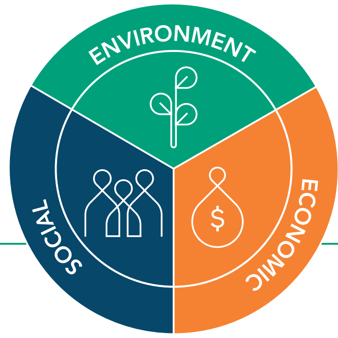
We also thank our consumers, partners, distributors and customers for their trust and support to our Group and our brands.

SUSTAINABILITY STATEMENT

"Economic, Environmental, and Social ("EES") sustainability factors are incorporated into Spritzer's business strategies and operations driving long-term operational efficiencies. These EES initiatives and programmes emphasise Spritzer's objective to further strengthen our position as Malaysia's leading mineral water brand. We strive to create long-term value for our various stakeholders by enhancing the lives of our employees, customers, and the communities in which we operate."

Our Sustainability Statement demonstrates our performance based on key non-financial performance measures. It identifies areas where our sustainability management and processes can be improved, and it serves as a foundation for us to continuously improve our reporting standards as well as our business operations to meet the expectations of our stakeholders. This is our fourth year of Sustainability Statement based on the Bursa Malaysia Securities Berhad Listing Requirements.

When read in conjunction with our Annual Report, this Sustainability Statement provides our stakeholders with a comprehensive picture of how Spritzer balances financial objectives with social and environmental imperatives. We are delighted to have this opportunity to share our commitments and long-term progress in creating significant value for our stakeholders while operating in an environmentally and socially responsible manner.



INFO

What is sustainability?

The term sustainability refers to a fundamental correlation among between people, planet, and economy. It is an essential element that we need business entities to practice and support sustainable product and services within their external and internal organisation. To become a sustainable business, companies should incorporate ESG Practices, which refers to the action and measurable quantifiable outcome aligned by sustainable development principles. The Brundtland Commission Report of 1987 defined sustainable development as "development that meets the demands of the present without threatening future generations' ability to meet their own needs."

"Spritzer's Sustainability Goal is to aspire to a carbon-neutral and socially ethical future, while delivering desirable water products for all."

**ESG (Environmental, Social, and Governance) is the driving force behind and is the framework for assessing how far organisations and governments have progressed in terms of sustainability. These three factors can be included in the investing process when deciding what equities or bonds to purchase under the consumer goods section.*

In Spritzer, we are completely committed to sustainable practices in business operations. In the year 2021, we have set up a major goal to achieve long-term sustainability: to aspire to a carbon-neutral, socially ethical future; and desirable water products for all.

Spritzer has been working on those key targets while focusing on the most difficult issue identified, to become Malaysia's leading sustainable bottled water company in the future. Spritzer's business ideally focuses on natural mineral water production. Furthermore, the company ensures that the Group objectives, strategies, policies, and principles, of its subsidiaries, provide long-term value to our stakeholders. We believe that Spritzer continues to positively impact our community and the environment by incorporating sustainability practices throughout our value chain and executing our business strategy accordingly.

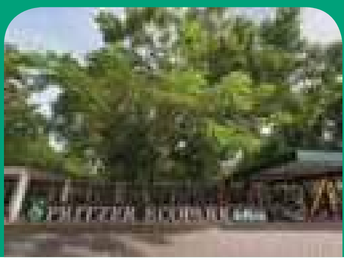
**Resources: (website) https://www.adecesg.com/resources/faq/what-is-esg/*

Spritzer's Sustainability Goal and Pillars

Our Sustainability Goal

To aspire to a carbon-neutral and socially ethical future, while delivering desirable water products for all.

Carbon neutral



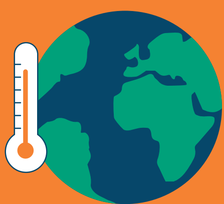
Desirable water products for all

Ethical society

Our Sustainability Pillars

GO! Green Packaging

Customers' needs are our priority



Climate Change Actions

Our people, Our strength

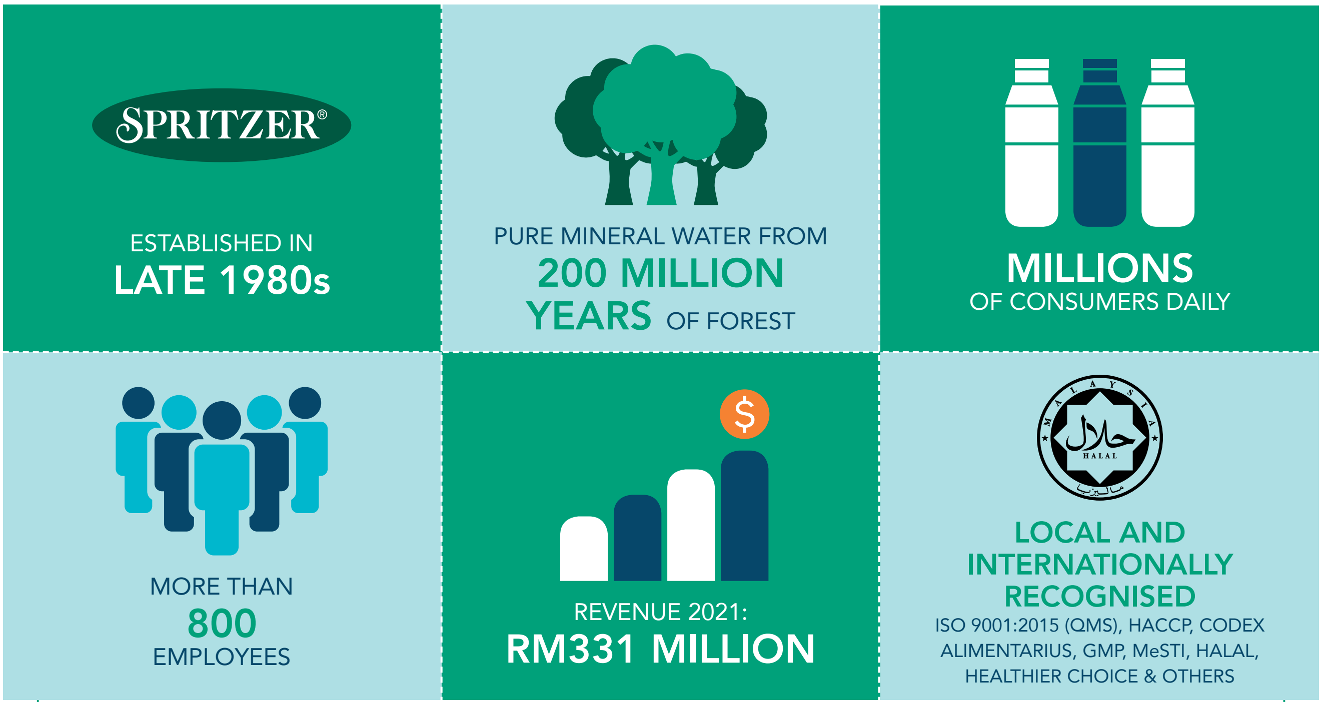


Figure1 - Spritzer overview based on economic, environmental, and social aspects

In today's demanding world, bottled water industries have a long history of environmental sustainability and water resource management, that places a high value on resource conservation. Be it the process of manufacturing, bottled water industries have always been practicing good production management while constantly looking for ways to improve environmental consciousness.

… plastic bottled water is usually made from 100 percent recyclable plastic 'polyethylene terephthalate' which is the world's most effective container.

*Bottled water packaging has the lowest environmental impact of any beverage packaging type. According to some researchers, it is because the containers that have been manufactured using less energy than those that produce alternative packaging such as cans, cartons, and glass that emit fewer greenhouse gases ("GHG"). Generally, plastic water bottles are made from 100 percent recyclable plastic polyethylene terephthalate ("PET"), polycarbonate ("PC"), and high-density polyethylene ("HDPE"), which are the world's most effective and recycled containers. However, the end of the bottle lifecycle is a constant priority for a marketplace to reduce plastic pollution and litter. When it comes to improving environmental initiatives, it is important to have a comprehensive approach that includes a circular economy model. This can help identify long-term, effective solutions by creating stable and accessible markets that offer good quality products at a reasonable price.

The Malaysian government has formulated a plastic strategy that aims to increase sustainability in plastic manufacturing by 2030 (Malaysia's Roadmap Towards Zero Single-Use Plastic 2018 – 2020 as well as Malaysia Plastic Sustainability Roadmap 2021 – 2030). Advances in packaging technology, such as the invention of lightweight PET plastic bottles, allow us to decrease negative environmental externalities while delivering more items at a quicker rate. Apart from that, continuous investment in R&D programs, such as the recycled PET ("rPET") plastic bottle utilisation, ensures Spritzer's ability to hold up with a constantly changing market while reducing undesirable environmental impacts.

Spritzer is Malaysia's most widely consumed mineral water and aspires to be the nation's long-term sustainable mineral water producer. Spritzer sources its natural mineral water from the foothills of Bukit Larut in Taiping, Perak, where the company's substantial land bank is located within a **330-acre site** and ensures that development and building do not encroach on that area while protecting the purity of its subsurface water reservoirs. Spritzer Group has a total annual production capacity of **850 million litres** which is processed by a highly automated production facility.

**Resources: Canadian Beverage Association article published in the August 2016 issue of Municipal World*

Sustainability Journey of Spritzer

2022 - 2025
Implementation of Sustainability Action Plan
- Sustainability Performances monitoring
- Sustainability reporting
- Sustainability initiatives (internally & externally)

2021
Formulation and Development of Sustainability Action Plan 2022-2025

2020
Establishment of Sustainability Unit to create strategic plans, to guide and improve the Group's Sustainability efforts in support of the SDGs.

2019
- Introduced Acilis by Spritzer mineral water made from 30 per cent plant-based, the first of its kind in Malaysia
- Launched Spritzer RO Tetra Pak Drinking water, packaged in safe and sustainable packaging that is 100% recyclable.

2018
Sustainability Statement initiated in year 2018 Annual Report

Group sustainability corporate information

Sustainability is firmly embedded in the culture of Spritzer. The Board "considers sustainability aspects of environmental and social factors as part of its strategic development", based on the Board's Conduct of Affairs. As a result, the Board ensures that Spritzer's long-term business strategy is guided by sustainability principles, and they have final authority over all sustainability issues.

On November 9, 2020, a Sustainability division was formally established in Spritzer to advise the Board in carrying out their duties, particularly in developing deliberate strategies to lead and improve the Group's sustainability efforts based on Spritzer's Economy, Environment, and Social ("EES") performances.

As detailed in the diagram, this Sustainability Unit involves the Board of Directors, Group Chief Executive Officer, Executive Committees, and Sustainability Advisory team followed by the Sustainability Division. Our Executive Committee, or "EXCO", oversees and ensures that the Group's sustainability process, methods, and performance are in line with EES requirements. The PR-Sustainability Department, commonly known as the sustainability division, collects sustainability-related initiatives and information from various departments and units, then reviews and presents it to the EXCO. If required, the EXCO will report to the Board on critical issues for further consideration. This division, as approved by the Board, oversees managing sustainability management and implementation internal and external sustainability efforts to ensure that the Group's sustainability goals are met.

Governance Structure

Spritzer Board of Directors

Ultimate accountability for Spritzer's sustainable business strategy

Group Chief Executive Officer/EXCO

Responsible for key focus area

Sustainability Division

Group data consolidation, benchmarking and gap analysis and conduct value chain input
Advisory support for sustainable impacts, report content development and sustainability reporting

Sustainability Advisory Team

Advice related to sustainability feasibility and operation

Sustainability working group

- Account
- HR/Admin
- IT
- SCM
- Project
- R&D

- Production
- Engineering
- QA
- Sales
- Marketing
- PR

- Compliance with Spritzer Sustainability Policy
- Engage with stakeholders to understand local needs
- Develop and implement programs leveraging core business

Spritzer Group

- Chuan Sin Sdn Bhd
- PET Master Sdn Bhd
- Angenet Sdn Bhd
- Golden PET Industries Sdn Bhd
- Chuan Sin Cactus Sdn Bhd
- Spritzer (Guangzhou) Trading Limited
- Spritzer (Hong Kong) Limited
- Spritzer Development Sdn Bhd

Figure 2 - Organisational chart of Spritzer Group sustainability governance

Table 1 - Roles and responsibilities of Spritzer Group Sustainability governance

Board of Directors ("BOD")	In terms of policy amendment/creation and the Group's strategic direction, the Board retains supreme authority as the ultimate decision-making group. In general, the Board supports and monitors the operations of the Sustainability Unit as well as the value creation of stakeholders.
Group Chief Executive Officer ("GCEO")	The GCEO serves as a key member of the Board, charged with initiating, facilitating, and realising the intentions and sustainability objectives approved by the Board.
Executive Committees ("EXCO")	The EXCO is in-charged of identifying and monitoring the progress of sustainability strategies, objectives, plans, and measurements across all Group policies and processes.
Sustainability Advisory team	The team responsible for advising the sustainability division on the feasibility and operation of long-term sustainability.
Sustainability Division	Manage and execute sustainability reporting, and sustainability initiatives within Spritzer.

ASRS warehouse with green building features

Joined Malaysian Recycling Alliance ("MAREA") for voluntary Extended Producer Responsibility ("EPR"), actively involved in the roadmap

The Original Rainforest water 2021 program

Sustainability Highlights for year 2021

Coral Conservation activities at Pulau Tioman

10-feet tall Christmas tree built from Spritzer Sparkling bottles at Spritzer's EcoPark in conjunction with 2021 Christmas festival

Donations for flood victims

Figure 3 - Shows various sustainability activity highlights of 2021

Scope of our Sustainability Statement

Spritzer Bhd adopted a structured approach in 2018 to establish and formalise a sustainability framework as part of our ongoing efforts to improve our sustainability practices, and to meet the Main Market Listing Requirements on Sustainability Reporting ("Listing Requirements") as published by Bursa Malaysia Securities Berhad ("Bursa Malaysia"). This Sustainability Statement (the "Statement") represents our journey towards value creation, demonstrating Spritzer's contributions to the local economy, unwavering efforts to improve society's well-being, minimising negative environmental impacts arising from our operations, and ultimately prioritising purpose over short-term profits.

Table 2 - Framework and guidelines

Reporting Period	January 1, 2021 – December 31, 2021
Reporting Framework & Guidelines	• Bursa Malaysia: Sustainability Reporting Guide and Toolkits • Securities Commission: Malaysian Code on Corporate Governance • Global Reporting Initiative ("GRI") Standards • United Nations ("UN") Sustainable Development Goals ("SDGs") • Twelfth Malaysia Plan ("12MP")

The table below illustrates the wide coverage of entities included in this Sustainability Statement. The entities indicated are Spritzer subsidiaries participating in the Group's key business operations. As Spritzer Bhd emphasises sustainable operations, there are only a few processes which were excluded. Bottled water production processes are considered for Spritzer's overall sustainability performance.

Table 3 - Scope and boundaries based on business segments

Business Segment	Business Activity	Entities
Manufacturing	Natural mineral water, carbonated and non-carbonated flavoured water, distilled & drinking water, preforms and bottles made of polyethylene terephthalate ("PET"), caps & toothbrushes	• Chuan Sin Sdn Bhd • PET Master Sdn Bhd • Angenet Sdn Bhd • Golden PET Industries Sdn Bhd • Chuan Sin Cactus Sdn Bhd • Spritzer EcoPark Sdn Bhd
Trading	Bottled water & other consumer products	
Others	Recreational park, investment & properties holding	

Our Materiality Determination Procedure

The graphic below shows the method of materiality assessment conducted back in 2018. We have completed our initial materiality assessment based on Bursa Malaysia's Sustainability Reporting Guidelines, to prioritise critical sustainability matters that match Spritzer's vision and are in line with various United Nations Sustainable Development Goals. The concept of materiality is used by businesses to influence their sustainability strategic planning processes. An economic, environmental, or social issue on which a corporation has an impact, or may have an impact, is referred to as a material sustainability issue. It may also have a significant influence on the decision-making process of stakeholders. The assessment's main goal is to investigate the impact of identified sustainability concerns on the Group, as well as their importance in our stakeholders' decisions and opinions.

From the exercise conducted back in 2018, 15 matters were derived. Subsequently, these 15 matters were compressed into 11 matters by merging similar matters. There is no additional matter added since there is no new materiality assessment conducted*. Information consolidation was carried out for monitoring and reporting to our stakeholders about the significance of impacts on our business. The EXCO has approved the materiality assessment for 2021 after the annual materiality review process. *Because Spritzer's operations haven't yet changed significantly, we continue to use the materiality assessment that was implemented in 2018. Hence, content has been developed and reviewed in this report.

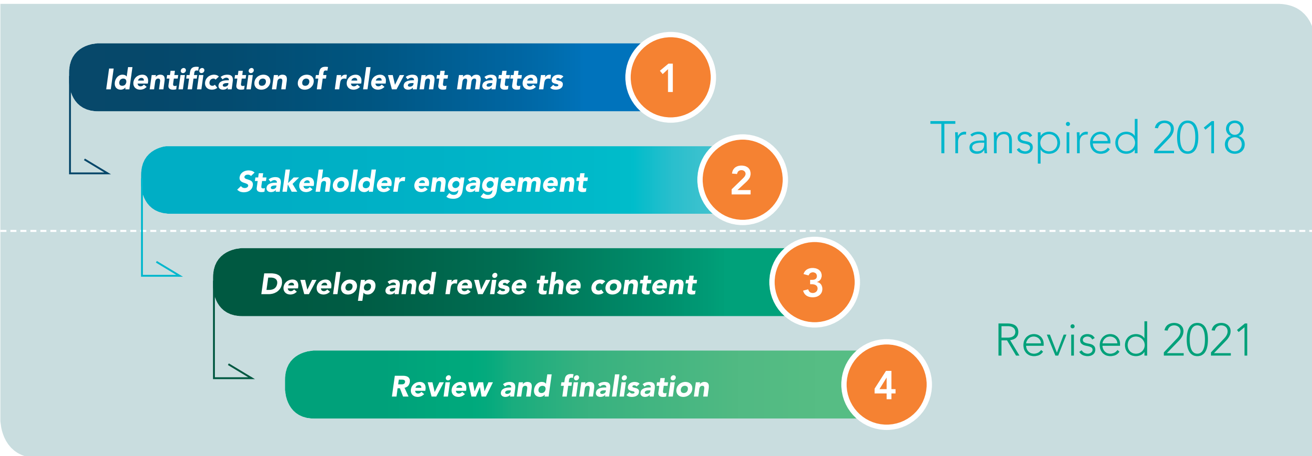


Figure 4 - Process of materiality assessment for 2021

According to an article published by corporate-citizenship.com, under the title 'How frequently should you perform a materiality assessment?' If you notice any substantial changes in the scope of your business, it's time to evaluate your material concerns. Otherwise, it's critical that our material difficulties mirror our current business, not only the firm you formerly were. Repeating the exercise does not have to entail going through the same motions all over again. A materiality refresh can be an opportunity to expand on past assessments and involve your stakeholders in new or different ways.***	**As mentioned in Bursa Malaysia Toolkit: Materiality Assessment (page 40 – Frequency of materiality assessment), a review of material sustainability matters is conducted on an annual basis, to ensure validity and relevancy of existing matters to stakeholders.*

There is no change from the year 2020 report in the Stakeholder Prioritisation Exercise as illustrated in Figure 4. As mentioned on the previous page, since there is no significant change in the scope of the business, the materiality assessment that was done previously continues to be valid and accepted during the annual review session. According to the results of the Stakeholder Prioritisation Exercise, the Board of Directors, workers, customers, and government/regulatory authorities have the most impact and reliance on our company operations. In addition to our current engagement strategy, we have undertaken surveys to evaluate the level of relevance of each highlighted sustainability issue to our key stakeholders. This was followed by a sustainability impact assessment to identify the Group's influence on sustainability issues. This evaluation was carried out with the participation of members of the Group's sustainable governance and representatives from several functions. We used our current risk evaluation procedures to assess the possibility and effect of occurrences related to the highlighted sustainability issues.

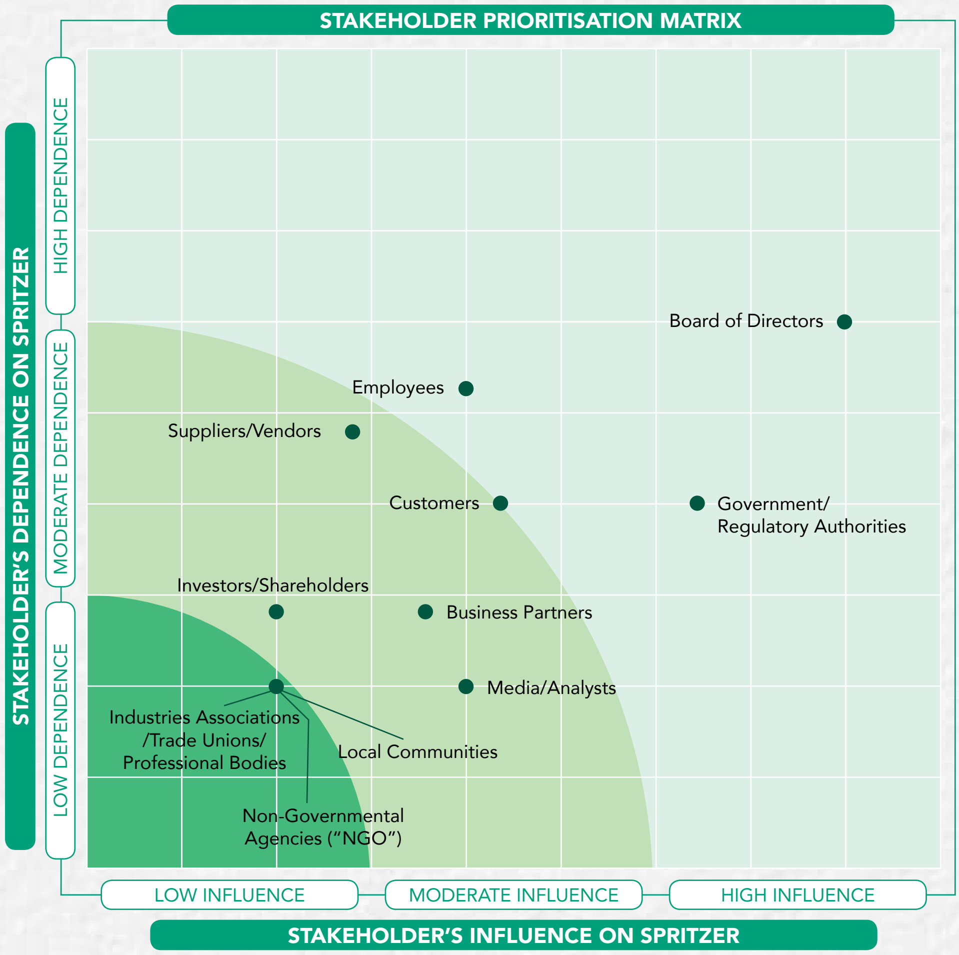


Figure 5 - Stakeholder Prioritisation Matrix 2021

Based on the matrix above, we may deduce that the Board of Directors has the most dependence on stakeholders and, as a result, the most influence, followed by Government/Regulatory Authorities. Employees and customers have reported as Spritzer's moderate influence and dependence.

Stakeholder engagement

Our key stakeholders are those who are influenced by or have the potential to influence our business and operations. Since 2018, the Group identifies and reviews significant topics that are essential and relevant to the Group and its stakeholders through regular stakeholder interaction. These important issues are reported to management regularly, ensuring that stakeholders' concerns are handled and incorporated into our operations and reporting. Table 4 highlights the engagement channels in place to reach out to important stakeholders to effectively communicate, comprehend, and focus areas of concern from their perspective.

Continuous involvement with our stakeholders enables us to resolve critical issues pertaining to our company operations. Although the exercise was completed in 2018, we continued to engage with our stakeholders, allowing Management to understand new trends and diverse viewpoints, as well as build relationships in order to make informed business choices and execute on our commitments. This allows us to make better business decisions and keep our promises and goal in check. To ensure effective communication, a cohesive, open channel of participation is required. As shown in Table 4 below, eleven main stakeholder categories are primarily affected by our activities, and the channels of involvement are indicated in the table below.

Table 4 - Stakeholder Engagement Details

Stakeholder Groups	Engagement Channels	Focus Areas
Board of Directors ("BOD" or "the Board")	• Board meetings • Annual General Meeting ("AGM") • Corporate/Group events • Email correspondences • Conference calls • Stakeholder Engagement Survey	• Financial performance • Environmental practices • Human capital management • Corporate governance • Corporate strategy • Quality of products & services • Business development/partnerships • Societal contributions
Government/Regulatory	• Site visits • Inspections • Conferences • Ad-hoc invitations • Programmes organised by the authorities	• Corporate governance • Compliance with applicable laws/regulatory requirements • Information security
Customers	• Official website • Social media platforms • Conventional telecommunication • Customer Satisfaction Surveys • Conferences/Roadshows/Exhibitions	• Quality of products & services • Environmental practices
Employees (e.g., Management, Executives, Non-Executives)	• Group memos • Email correspondences • Recreational events • Meetings/Briefings • Social media platforms • Training programmes • Stakeholder Engagement Surveys • Annual employee performance discussions	• Occupational safety & health • Fair remuneration • Fair employment practice • Training & development • Diversity & inclusion • Information security • Career development • Societal contributions • Environmental practices • Financial performance
Suppliers/Vendors	• One-to-one meetings • Periodic performance evaluation • Conferences	• Agreeable contracts • Terms of payments • Business development/partnerships • Corporate governance
Media/Analysts	• Meetings/Briefings • Press releases/Conferences • Media releases/Interviews	• Open & transparent communication • Environmental practices • Corporate strategy • Human rights • Future business aspirations
Business Partners (i.e., Major Distributors)	• Ongoing meetings • Conference calls • Site visits	• Quality of products & services • Production capacity • Open & transparent communication • Business development/partnerships • Collaboration & market synergy
Investors/Shareholders	• Annual General Meeting ("AGM") • Official website • Media releases • Investor relations • Public announcements • Ad-hoc discussion sessions • Annual reports	• Financial performance • Human rights • Corporate governance • Quality of products & services • Societal contributions • Open & transparent communication

SUSTAINABILITY STATEMENT

Stakeholder Groups	Engagement Channels	Focus Areas
Industries Associations/ Trade Unions/ Professional Bodies	• Official website • Group discussions • Conferences/Roadshows/Exhibitions • Public announcements	• Quality of products & services • Business development/partnerships • Collaboration & market synergy
Local Communities	• Community development programmes • Conferences/Roadshows/Exhibitions	• Societal contributions • Environmental practices
Non-Governmental Organisations ("NGO")	• Meetings/Discussions • Site visits • Conferences/Roadshows/Exhibitions	• Societal contributions • Environmental practices

The sustainability framework at Spritzer is intended to help us maximise our EES efforts. The framework aligns our business priorities with national and global sustainability targets. This reporting year, we introduced Spritzer's sustainability framework, which included four (4) strategic pillars of sustainability: (1) GO! Green Packaging, (2) Customers' needs are our priority, (3) Climate Change Actions, followed by (4) Our People, Our Strength. Based on the key pillars, eleven (11) material topics have been finalised according to Spritzer's sustainability performance. These 11 high-priority materials were approved by the EXCO and disclosed in this report. We make every effort to disclose our growth strategies and measures for addressing the opportunities and risks that affect our operating environment. These issues have also been identified as important to our stakeholders and have the potential to impact our ability to deliver value in the short, medium, and long term. To discuss our material matters and the performance targets we have set for ourselves fairly and sufficiently, we must first define what each of these sustainability topics means to the Group.

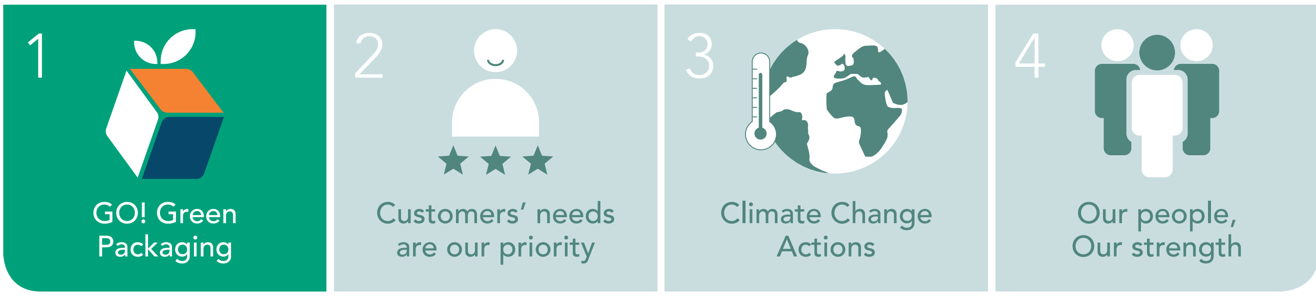
Figure 6 – Spritzer's Sustainability Pillars in line with Sustainable Development Goals

The 11 material topics were aligned based on 7 Sustainable Development Goals of the United Nations focusing on the challenges identified by the global community.

Our sustainability framework has been amended and enhanced. We examined important areas of our performance to see where we might have the greatest beneficial impact by improving on Spritzer's material issues. Table 5 shows eleven (11) respective materiality matters based on four (4) major pillars that support Spritzer's sustainability performances and how it is aligned with SDGs.

Table 5 - Spritzer's sustainability materials are based on four (4) pillars

Pillars	Materials	Why do we need these materials within Spritzer's Group
1.0 GO! Green Packaging (12 RESPONSIBLE CONSUMPTION AND PRODUCTION)	1.1 Cradle to Gate	To manufacture the final product from the raw material which involves production, supply chain, and waste management (Partial product life cycle)
	1.2 Gate to Cradle	To extend responsibility by managing the remaining life cycle of the product after consumer use (post-consumer initiatives)
2.0 Customers' needs are our priority (6 CLEAN WATER AND SANITATION)	2.1 Customer Relations	To have a company-wide method for cultivating excellent customer relationship
	2.2 Labeling and Recognition	To provide essential service of branding/marketing the products to create loyal and consistent customers
	2.3 Quality and Assurance	To understand customer needs and expectations to build efficient quality management & products based on the company's quality standards
3.0 Climate Change Actions (13 CLIMATE ACTION)	3.1 Carbon Emission	To monitor a significant amount of GHG emissions that contribute to the carbon footprint
	3. 2 Carbon Sequestration	To calculate the amount of atmospheric CO2 captured atmospheric by trees, grasses, and other plants in their land bank and site
4.0 Our people, Our strength (5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS)	4.1 Employees Well-being	To maintain the employee's experience and work culture from a holistic view to achieve fair practices upon physical, emotional, and financial security
	4.2 Good Governance Practices	To build a competent Board which have a high level of ethics & integrity, managing risk effectively
	4.3 Strategic Partnership	To develop business networking that involves sharing of resources among companies to help all involved to succeed
	4.4 Community Development	To contribute constant efforts to encourage the community in improving the quality & well-being of society



GO! GREEN PACKAGING

We collaborate across various internal departments as well as with our suppliers to create lightweight designs for sustainable packaging materials, with the goal of reducing the usage of virgin material in packaging and the waste created during the product's life cycle. Sustainable packaging is advantageous in ensuring that a product is safe and healthy for both persons and communities throughout its life cycle. PET polyester plastic bottles that are BPA-free are lightweight, minimise plastic use, and improve collapsibility to conserve recycling space.

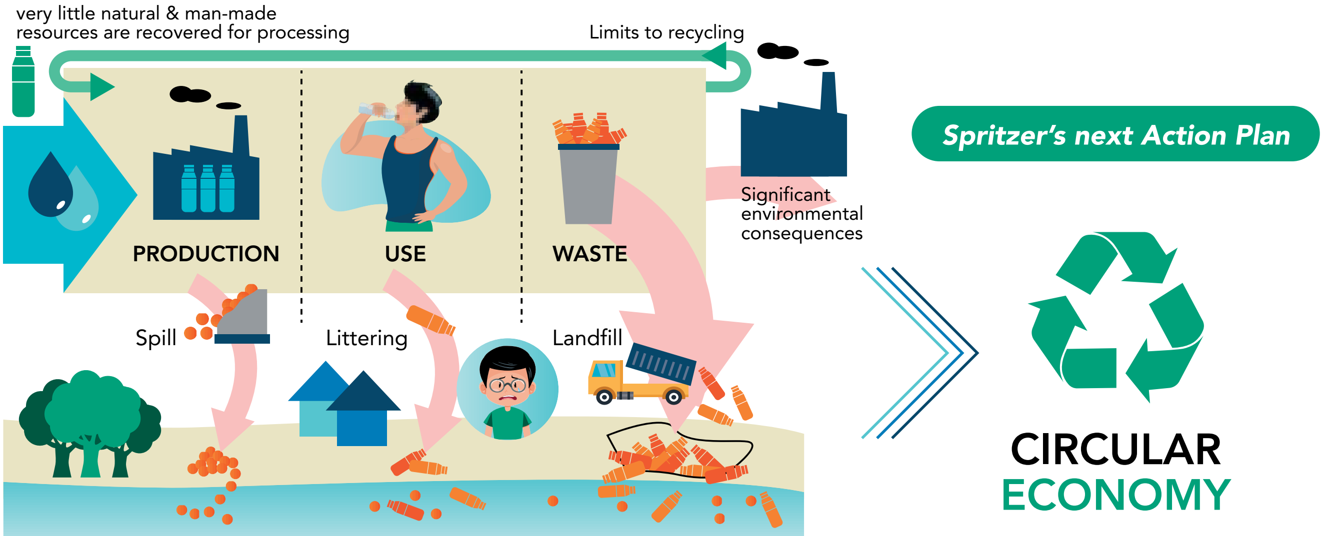


Figure 7 - Manufacturing of Spritzer's bottled water from cradle to gate

Figure 7 shows a linear economy model from bottled water production to consumer consumption. The trash generated after consumption is a big source of concern for our environment. This is a crucial part of Spritzer's environmental initiatives to reduce trash output. The lack of value placed on natural systems, the materials we remove from them, and the negative impact of extractive operations are all factors contributing to environmental deterioration. By applying comparable ideas to our economic structure, the circular economy tries to imitate Earth's natural cycles. Our approach to products and services, as well as how we consume them, must be completely rethought under the innovative model. As a result, Spritzer has pledged toward circular economy production by including recycling as part of our next action plan.

Packaging & Waste Management

As a prominent mineral water manufacturer, we recognise our obligation to limit the environmental effect of our packaging. Our packaging materials are chosen from vendors that can fulfil our criteria. We continually assess the possibilities for novel packaging materials and the procedures involved. We are constantly looking for ways to make our bottles lighter and reduce packaging, about 14% of weight has been reduced so far from the original (initial) design. While we believe PET is the most sustainable and viable material of choice, we are continuing to investigate other packaging materials made from other sustainable resources as an alternative. Plant-based materials are used in some of our PET bottles. Innovative technology creates a renewable material that can be used to manufacture our PET plastic bottles, bringing us one step closer to commercialisation. These bottles are 100% recyclable from the final consumer and will help us continue our progress towards an exciting future based on a circular economy. Spritzer has committed to recycling 50% plastic bottles by 2030, as well as took the initiative of actively participating in the Malaysian Recycling Alliance ("MAREA") for voluntary Extended Producer Responsibility ("EPR") which is involved in formulating the EPR framework in Malaysia.

ADDITIONAL INFO

What is Circular Economy?

A circular business model is the process through which a company develops, distributes, and collects value using and inside closed material loops and chains. In the linear economy, raw natural resources are collected, transformed into goods, and then discarded. A circular economy model bridges the gap between production and natural ecosystem cycles by providing the end-product with a fresh lease of life on a continual basis.

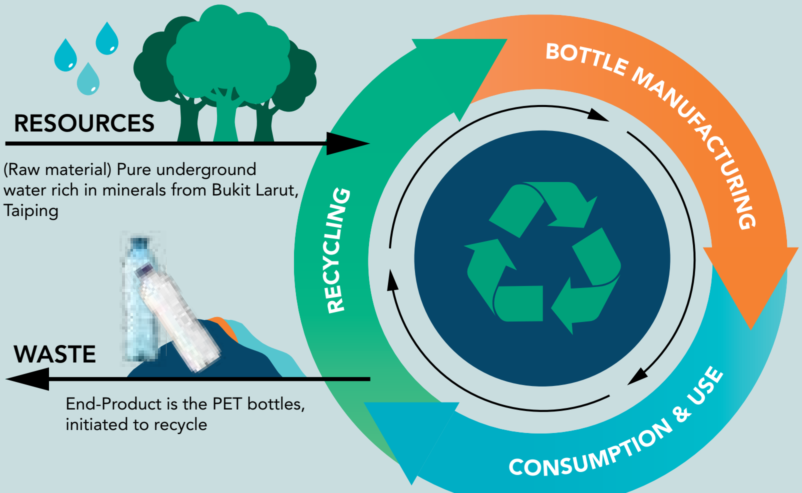


Figure 8 - Concept of Circular Economy

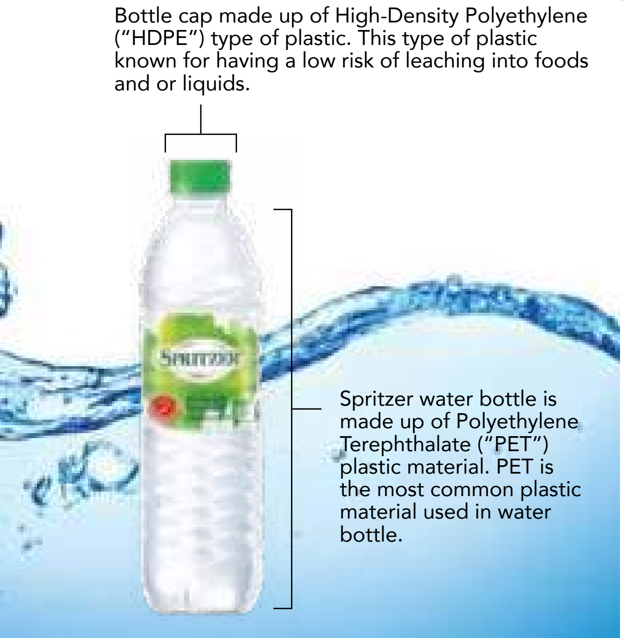


Figure 9 - Type of plastics used in Spritzer's bottled water bottle.

What is Microplastic?

Microplastic is tiny debris of plastic with a size of fewer than five millimetres. It is often found in the ocean. Due to its micro size, it can enter the digestive system of marine species that later could be consumed by humans. Microplastics is becoming viewed as a health hazard by people all over the world. We have aware that several chemicals found in the plastic water bottles that we use might affect our health. Many global brands of bottled water have been found to be contaminated with microplastics, according to a 2018 study done at the State University of New York in Fredonia. In a single bottle, they discovered an average of 325 particles per litre, with concentrations ranging from zero to more than 10,000 particles. 259 unique bottles were evaluated from 27 distinct lots spanning 11 brands, acquired from 19 different locations in 9 nations. Eventually, the microplastics were identified in 93 percent of the samples.

Regarding that issue, our Spritzer - the Silicon ("Silica") Rich Natural Mineral Water, had been tested by a reputable independent laboratory to detect microplastics. The results indicate Spritzer Natural Mineral Water does not contain any microplastics and were zero in these ranges and even up to 1uM sizes. This finding is a powerful affirmation of Spritzer's stringent quality processes.

What is EPR?

EPR stands for Extended Producer Responsibility, a voluntary industry-led solution to consumer packaging waste that is being implemented in Malaysia. The main purpose of this initiative focuses on enhancing the value chain and significantly increasing post-consumer packaging collection and recovery. The EPR comprises four significant solutions; 1) Separation at source, 2) Waste collection, 3) Support of the recycling sectors, 4) Policy standardisation that supports the collection and recycling ecosystem.

FUTURE PLAN

By emphasising the concepts of reducing, reusing, and recycling and joining MAREA has taken the first step toward circular economy bottled water production. By the year 2025, Spritzer aims to recycle around 25% of PET bottles.

1 GO! Green Packaging	2 Customers' needs are our priority	3 Climate Change Actions	4 Our people, Our strength

CUSTOMERS' NEEDS ARE OUR PRIORITY

Customer trust is a vital component of being a leading manufacturer for a local business operation. Spritzer is set up to maintain this component by producing affordable, high-quality, and standardised products that not only meet but surpass our consumers' expectations. In addition to providing healthy drinking options, we can assist our clients in leading healthier lives and raising awareness about the importance of hydration. In the year 2021, Spritzer has received 3 national and 6 international awards as shown in Table 6.

Table 6 - Spritzer's Awards

Awards	
National	**International**
Reader's Digest Trusted Brand – Platinum (Spritzer)	World Branding Award - Brand of the Year - Water category (Spritzer)
Reader's Digest Trusted Brand – Gold (Cactus)	Superior Taste Award - 2 Stars (Spritzer Sparkling)
Putra Brand Award – Bronze – Beverage – Non-alcoholic (Spritzer)	Superior Taste Award - 2 Stars (ACILIS by Spritzer Still Artesian Bottled Drinking Water)
	Superior Taste Award - 3 Stars (Spritzer 事必胜天然矿泉水)
	Superior Taste Award - 3 Stars (Spritzer Natural Mineral Water)
	Superior Taste Award - 1 Star (Spritzer Tinge)

Procedures concerning Customer Satisfaction

Operation Policies & Procedures	Customer Satisfaction Evaluation	Customer Complain Handling Procedure

Departments involved in Managing, Monitoring & Maintaining Customer Satisfaction

Public Relations ("PR") Department	Sales, Sales Support & Export Department	Quality Assurance ("QA") Department

- Ensure customers have access to a variety of platforms via which they may express their concerns or provide feedback
- Review customer input
- Identify & validate all customer feedback for service, quality & product improvements
- Resolve issues presented by customers

Based on customer feedback, we are constantly looking for ways to improve quality and provide good customer service. The following criteria are used to evaluate our customer satisfaction performance (1) Quality, (2) Delivery, (3) Service, and (4) Technical support are all important considerations.

Responsible Labelling & Marketing

Customer satisfaction, as well as the quality and safety of our products, are all dependent on accurate labeling. The manner in which we promote such items is fundamental to Spritzer's ideals, and it must be transparent, consistent, and compatible with all relevant regulatory regulations. Local regulatory organisations such as Malaysia's Ministry of Health ("MOH") and Jabatan Kemajuan Islam Malaysia ("JAKIM") have severe criteria that we follow. Malaysian requirements for the Healthier Choice Logo are among them ("HCL").

Our Marketing Department is responsible for ensuring the development of marketing strategies and brand plans, as well as the creation of promotion programmes to help us meet our sales targets. Product and brand management, regular market trips to establish relations with trade partners and obtaining market knowledge to keep Spritzer competitive are all part of this. Both management and external parties are actively involved in the production of promotional and other important materials. Based on our present policies, we do not intend to mislead our customers about the advantages of a product or encourage harmful or irresponsible usage. The Marketing Department also guarantees that none of our advertisements include offensive material or attitudes against religious, political, ethnic, cultural, or social groups.

Product Quality & Stewardship

Despite the fast-paced nature of the economy, it is critical to efficiently maintain and monitor product quality by our Quality Policy. We are committed to advancing product quality and innovation by getting health and safety certifications, implementing newly sustainable practices, and improving production processes to address quality challenges. Our company provides safe bottled water, meets customer demands, and complies with all regulatory standards.

Everyone in the Group is responsible for adhering to and continuously improving the efficacy of the Quality Management System ("QMS") established in conformity with ISO 9001:2015 criteria to guarantee that the Group's main aim is met.

Quality Policy Statement	
OUR VISION *To be recognised and respected as the premier and best bottled water producer.* *OUR MISSION* *Customer satisfaction is the main goal of Spritzer and the Group is committed to manufacture the highest quality bottled water for the healthy consumption of the general population.*	Mission Principles 1. Produce high-quality products under hygienic conditions that meet customers and statutory/regulatory requirements. 2. Practice total quality commitment and teamwork in all works at all levels. 3. Instil high-quality awareness at all levels through effective training. 4. Practicing effective internal and external communication. 5. To provide adequate resources to ensure effectiveness and quality in all works done.

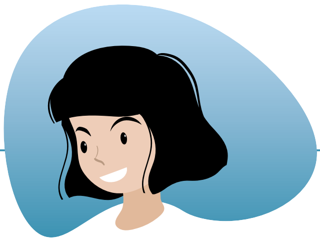
Spritzer has implemented the following steps to minimise rejection rates and assure conformity to client specifications, international standards, and internal quality assurance:

Ensure QMS & Food Safety Management System ("FSMS") are effectively implemented	**Regular inspection of manufacturing equipment & facilities**	**Ensure adequate supervision is provided throughout the design & production process**	**Hiring experienced personnel & obtaining standardised technology**

FUTURE PLAN

Spritzer aims and anticipates supporting procurement practices trainings for relevant workers, as well as exploring options to streamline and digitalise procurement management procedures to give excellent services to customers. In accordance with the Malaysian government's initiatives to create a healthier society, we will continue to make the required measures to foster a healthy lifestyle for our consumers. We have decreased our packing materials to reduce negative environmental consequences and want to improve on this project in the future.

Customer's Testimonial About Spritzer Products



Cik Sue

★★★★★

Spritzer mineral water is one of my favourite mineral waters. It is in top 3 in my mineral water drinking list. The drinks are so clear and yet it tastes delicious even no flavours. It does not have after-taste and does not smell bad at all. The bottle also environmentally friendly. Easily found in markets even in petrol stations. Comes with reasonable price. I do like their design on their bottles. Very nice and the packaging is so neat.

Hakim Muhd Nur

★★★

Had try a lot of different type of mineral water before, but totally fell in love with Spritzer the first time I taste it. Although the price is a little bit pricey than other mineral water, but totally worth the money.

Anonymous

★★★★★

When I'm looking for mineral water, I'll first go for Spritzer. It can be expensive compared to others, but the drink itself is of good quality. They are sold on the shelves of convenience stores, so it is extremely easy to buy. I think the green colour cap of the bottle has really gives Spritzer its distinctive brand look.

Intan Suriani

★★★★★

Spritzer always my number one choice among others. The quality of Spritzer mineral water is completely natural and fresh 100%. In a day at least I will drink 4 litres of Spritzer mineral water. This to ensure I feel hydrated and energetic for a long day. Choose the right brand for your better health. Cheers!

**These comments are extracted from the website - https://100comments.com/spritzer-natural-mineral-water/*

CLIMATE CHANGE ACTIONS

Spritzer has always been concerned about the environmental impact of our operations. Our third pillar of climate change action refers to the act of maximising profits while minimising environmental impact. As part of our materiality concern, we identified two key issues for our environmental initiatives as part of our materiality assessment: carbon emission and carbon sequestration.

These initiatives are designed to promote effective resources utilisation and help us accomplish our goals of being an environmentally sustainable bottled water manufacturer. We understand the scarcity of water as a commodity as a bottled water producer, and we have a professional responsibility to increase distributional efficiency as a means of addressing environmental challenges.

Our carbon emission primary objectives are to improve efficiency in our operations which refers to efficient energy sources and generation, carbon reduction in our value chain and supply, and reduce our operations' exposure to climate change risks.

INFO

What is a carbon sink?

In a process known as carbon sequestration, a carbon sink absorbs and stores carbon compounds by removing carbon dioxide from the atmosphere. Natural carbon sinks are the most significant, with the sea absorbing CO_2 through biological and physiochemical processes and terrestrial plants acting as carbon sinks through photosynthesis.

Spritzer is currently in charge of the waste and by-products generated by the operations. Our primary goal is to reduce waste in new and innovative ways. Besides, Spritzer's products have all been certified as Carbon Neutral, with CO_2 equivalent calculations (Cradle to Gate) for production, operation, and management equalling sequestration by existing land assets. The total carbon sequestration of Spritzer within the landmass is equivalent to the total carbon emission within Spritzer's bottled water manufacturing processes.

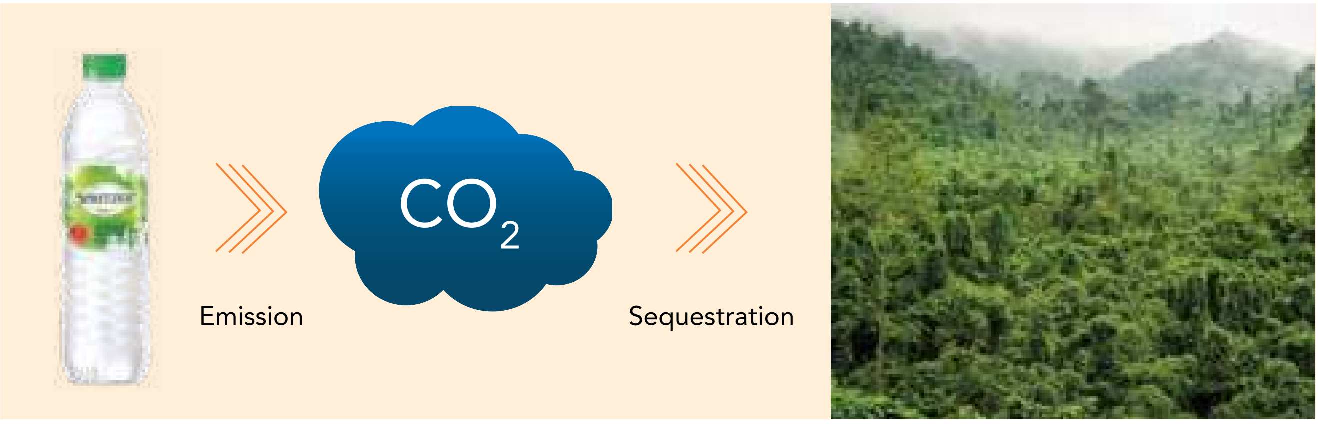
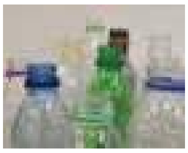


Figure 10 – Illustration of Spritzer's Carbon Emission and Sequestration



Embedded Carbon

Total carbon that already existed in the product before arriving to Spritzer for manufacturing

Example: Ready-made packaging, label, cardboard, stationaries, paper, etc

+

Operational Carbon

Net carbon that already emits during manufacturing and management process (minor carbon avoidance; if any)

Example: Energy, Water, Fuel.

=

Carbon Sequestration

The carbon sinks calculation of the trees and plants as process of capturing and storing atmospheric carbon dioxide ("CO_2").

Example: Trees Carbon Sinks values in Spritzer's land

=

*Carbon Neutral when ZERO Net Carbon Value computed; which means, Carbon Emission is **EQUAL** to carbon sequestration

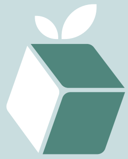
*Carbon Negative means we sequestrated **MORE** carbon than we emit

Total Carbon Emission − Total Carbon Sequestration = Net Carbon Value*

Figure 11 – Illustration of Net Carbon Value Calculation

FUTURE PLAN

We have targeted to achieve carbon neutral business operation by 2030. Looking forward to reducing our carbon emission and increasing our carbon sequestration.

1 
GO! Green Packaging

2 
Customers' needs are our priority

3 
Climate Change Actions

4 
Our people, Our strength

OUR PEOPLE, OUR STRENGTH

Our employees are an asset and a critical component of achieving our vision. We want our employees to feel confident, safe, and supportive of one another's professional and personal development. These factors all contribute to the overall productivity of the Group's workforce. The value of a work-life balance is recognised, and we strive to maintain it through a variety of initiatives and programs aimed at improving the employee experience at Spritzer. Recognising the significance of recruiting, developing, and retaining talent, we continue to invest in making our employees feel at ease. The communities impacted by our business activities are also an important aspect of our corporate responsibility, and we will continue to facilitate outreach and development programs.

Fair and Safe Employment Practices

A safe and open working environment is essential to our day-to-day operations. Every employee should be treated fairly and consistently, not just in terms of employment and advancement prospects, but also in terms of protection from improper behavior. We have an open communication policy and support being handled with decency, respect, and honesty when addressing sensitive problems. As every employee is required to sign the ethical rules, the Group recognises that in order to remain an appealing employer, we must adhere to regulations and respect our principles. Spritzer has engaged in workplace equality by actively encouraging gender parity and supporting individual differences, so providing a clear career progression framework and equal opportunity to all. There is no report on corruption cases, data breaches, or any unethical behaviors. Thus, Spritzer proudly maintains ethical and decent working culture.

Our equality policy emphasises the importance of boosting women's representation and prohibits potential workers from being discriminated against because of their ethnicity, physical handicap, or religious convictions, among other things. When it comes to hiring and promotion, there is no gender or racial discrimination. This enables our Human Resources ("HR") and Administration Departments to allocate eligible applicants with the relevant skills to the appropriate job to maximise prospective persons for the organisation's development and personal progress.

Across our business areas, we are dedicated to maintaining a high standard of ethical and environmental trading practices, including the provision of safe working conditions and the preservation of our employees' rights. We expect our staff to demonstrate a commitment to our continual endeavour to improve these practices under the Code of Ethics, as mentioned in our Employee Handbook. Employees must swear that they have read and completely understand the Code of Ethics and that they will abide by its rules from the moment it is enforced and as they may be amended from time to time. Any violation of the Code of Ethics may subject an employee to disciplinary action, including dismissal.

We systematically adjust pay packages and other employment benefits in response to the continual shift in the labour market to match wage expectations and other work-related advantages to maintain our competitiveness as an industry leader. Spritzer recognises and rewards exceptional workers for their devotion and contributions to the company. Employees are compensated based on their skills and talents, rather than on personal bias or prejudice. Technical and non-technical training is offered to ensure staff excellence and foster self-improvement. Medical benefits, as well as ordinary leave entitlements, are offered.

Four Basic Principles of Employment

- Recruit & select employees based on merit
- Provide employees with equal opportunities
- Comply with labour laws & abide by law & regulations
- Treat employees with respect

Corruption, Data Breach, and Unethical Behaviour	*Safety score (DOSH and OSHWA)*	*Workers covered with Medical Benefits*
ZERO	>85%	100%

Community Development

At Spritzer, giving back to the community and building strong bonds with them are important actions to ensure that our business promotes sustainability. We strive to have a positive impact, especially in times of need and have pledged to give back to the community through our corporate social responsibility ("CSR") activities and donations.

Spritzer has created a dedicated Public Relations ("PR") department that is responsible for overseeing the planning, organising of public events, and carrying out CSR initiatives. Employees' voluntary participation is a key feature of our programs. Employees in the PR department are encouraged to seek out CSR opportunities to strengthen ties with the Malaysian community. Spritzer contributes to society through disaster relief and humanitarian aid, contributions to the local community for social welfare, activities related to the community's health and well-being, recycling campaigns and activities, education and youth development programs, environmental initiatives, and CSR activities for the holiday season, as well as an employee.

Even though most events and CSR activities in 2021 will have to be canceled due to the COVID-19 pandemic's recovery stage, the impact of those CSR programs in the previous year through disaster relief and humanitarian aid-related activities has been very encouraging. There were only a few CSR activities have been conducted with internal employee motivation as we contribute to front-line workers' productivity by supporting and appreciating their unwavering service. In return, we find that these employees are highly motivated and engaged at work. We have also made contributions to the victims as part of our humanitarian response during large flooding events that happened at the end of the year 2021.

Activity 1: Spritzer Celebrated World Earth Day at Pavilion KL

(April 2021)

In conjunction with world earth day on April 22, 2021, Spritzer organised a campaign "The Original Rainforest Water" station in front of Pavilion Kuala Lumpur's Jalan Bukit Bintang entrance, to drive the awareness of World Earth Day as well as get the refreshing taste of Spritzer Natural Mineral Water and Acilis by Spritzer while experiencing an interactive 3D Elite screen showcasing the source of this natural mineral water. Visitors will have photo opportunities from this mini rainforest in the city set-up, also enable them to recycle the bottles after consumed.

Activity 2: Donations for Klang Valley Flooding

(December 2021)

This event is part of the local community programme organised by Spritzer. In response to the recent floods that took away many lives and property, Spritzer stepped up as corporate organisation to assist those in need. We glad to be a part of the helpline as well as to convey our sympathy and solidarity for all flood victims. Spritzer have donated 123,722 units of bottled water to all the flood victims.

Activity 3: Open Interview at Taiping, Perak
(September 2021)

Spritzer organised a one-on-one job interview session at our factory in Taiping, Perak, to combat the high unemployment rate in Malaysia caused by the COVID-19 Pandemic. The primary goal of this initiative is to increase manpower and hire new talent into Spritzer family. A total of 75 candidates took part in the interview session.

Activity 4: Donation During COVID-19 Pandemic
(Throughout 2021)

Spritzer has contributed 237,444 water bottles totalling of 93,088.56 litres to the vulnerable communities, frontliners, vaccination centres and quarantine centres throughout the year 2021. Because water is such an important part of life, Spritzer took the tiny step of donating clean water to the public.

FUTURE PLAN

Spritzer is determined to conduct as many sustainability events as possible in the coming years in order to educate the internal organisation about sustainable development techniques. Furthermore, we are also focusing on factors that will improve the well-being and capabilities of our employees through training and development.

Looking Foward

Action Plan 2022 – 2025

As we implement our first-generation robust reporting framework, we expect to encounter some challenges. There are plans to further standardise and strengthen sustainability initiatives within our Group.

Sustainability is a continuous process to build upon systematic review, improvement, and application of procedures. As we expand from our prior Corporate Social Responsibility statement to a broader Sustainability focused framework, we strive to continue our Sustainability Journey, by enhancing reporting, monitoring and progressively elevating our various EES initiatives. These highlight our commitment to enhancing our disclosure regime, making it more informative for our various stakeholders, while also embedding our EES values across the Group.

Figure 12 - Spritzer's long-term approach

DATO' LIM A HENG @ LIM KOK CHEONG, DPMP, JSM, JP

Non-Independent
Non-Executive Chairman

MALAYSIAN
MALE
AGE 77

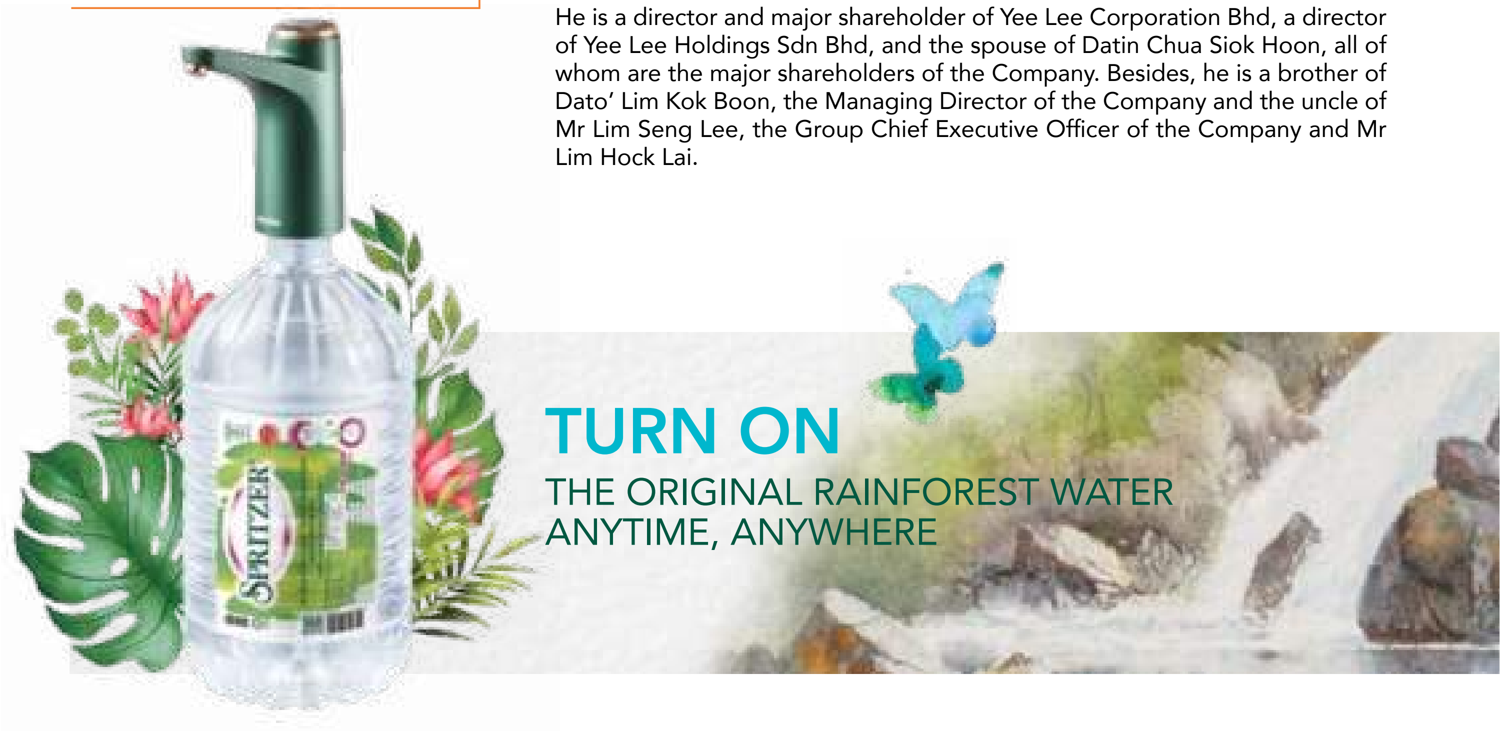
Dato' Lim Kok Cheong was appointed to the Board on June 22, 2000.

He has more than 50 years of experience in the trading and manufacturing of edible oils and consumer products industry.

He is the Life Honorary President of both the Associated Chinese Chambers of Commerce and Industry of Malaysia and the Perak Chinese Chamber of Commerce and Industry. He is the Chairman of Poi Lam High School (Suwa) and the Honorary President of Perak Hock Kean Association and the Federation of Hokkien Associations of Malaysia.

He is the Executive Chairman of Yee Lee Corporation Bhd and Yee Lee Organization Bhd.

He is a director and major shareholder of Yee Lee Corporation Bhd, a director of Yee Lee Holdings Sdn Bhd, and the spouse of Datin Chua Siok Hoon, all of whom are the major shareholders of the Company. Besides, he is a brother of Dato' Lim Kok Boon, the Managing Director of the Company and the uncle of Mr Lim Seng Lee, the Group Chief Executive Officer of the Company and Mr Lim Hock Lai.



DATO' LIM KOK BOON, DPMP

Managing Director

MALAYSIAN
MALE
AGE 67

Dato' Lim Kok Boon was appointed to the Board on June 22, 2000.

He is a Past President/Consultant of the Asia Middle East Bottled Water Association (ABWA). He is also the adviser to the Board of Governors of Hua Lian High School, Taiping.

He has been involved in the sales and distribution of biscuits, confectionery and bottled drinks since 1979. He was instrumental in the growth of Chuan Sin Sdn Bhd, a wholly-owned subsidiary of the Company, when it successfully switched to the production of bottled water in 1988. Since then, he has been overseeing the entire day-to-day operations of Spritzer Bhd Group.

He is a brother of Dato' Lim Kok Cheong and the brother-in-law of Datin Chua Siok Hoon, both are the major shareholders of the Company. He is the spouse of Datin Lai Yin Leng and the father of Mr Lim Seng Lee, the Group Chief Executive Officer of the Company and Mr Lim Hock Lai.

LIM SENG LEE

Executive Director and
Group Chief Executive Officer

MALAYSIAN
MALE
AGE 46

Lim Seng Lee was appointed to the Board on October 15, 2015. He graduated with a Bachelor of Science in International Business from San Francisco State University, United States.

He joined Spritzer Bhd as a Sales Executive in 2003. He was promoted to Marketing Manager in year 2007 and until to date, he has been involved in sales and marketing activities in the bottled water market.

In 2008, he took the position of Deputy General Manager and was responsible to assist the Managing Director and General Manager to plan and set up the company's policy and objectives. At the same time, he was involved in strategic planning and Corporate Social Responsibility of the Company. In 2011, he has been promoted to be the Group General Manager and responsible to oversee and ensures the overall operation activities of the Company are in accordance with the Company's policies and objectives. He was the Country Representative (Malaysia) of the Asia Middle East Bottled Water Association (ABWA) and was installed as the President of ABWA on October 9, 2018. He is a committee member of Northern Perak Chinese Chamber of Commerce and Industry and the Head of Small Medium Enterprise Division. He is also the Acting Chairman of the Board of Governors of Hua Lian High School, Taiping.

He is a director of Malaysian Recycling Alliance Berhad.

He is the Chairman of Employees' Share Grant Plan ("SGP") Committee and Executive Committee ("EXCO") of the Company.

He is a son of Dato' Lim Kok Boon, the Managing Director of the Company and Datin Lai Yin Leng. He is also a nephew of Dato' Lim Kok Cheong, the Chairman of the Company and Datin Chua Siok Hoon, both of whom are the major shareholders of the Company. He is also the brother of Mr Lim Hock Lai.

Truly a gift of nature, Spritzer Natural Mineral Water is extracted 420ft underground from pure and clean natural water sources, which explains why Spritzer is rich in minerals. Hygienically filtered and bottled in accordance to international standards for your peace of mind, it's time to hydrate with Spritzer.

LAM SANG

Executive Director

MALAYSIAN
MALE
AGE 72

Lam Sang was appointed to the Board on December 28, 2001. He has more than 40 years of experience in the manufacturing and marketing of plastic products and toothbrush. He is the President of Perak Hock Kean Association and Deputy Chairman of Poi Lam High School (SUWA), Vice Chairman of Poi Lam Primary and Secondary Schools.

Prior to joining Golden PET Industries Sdn Bhd, a wholly-owned subsidiary of the Company, he was the Sales Manager of United Plastic Sdn Bhd, a plastic manufacturing company from 1973 to 1980.

He is an EXCO member of the Company.

CHOK HOOA @ CHOK YIN FATT, PMP

Non-Independent
Non-Executive Director

MALAYSIAN
MALE
AGE 75

Chok Yin Fatt was appointed to the Board on December 28, 2001. He graduated with a Bachelor Degree in Business Studies from Curtin University of Technology, Australia and Master in Business Administration from University of Strathclyde, United Kingdom. He is a Chartered Accountant of the Malaysian Institute of Accountants, fellow members of CPA Australia and Malaysian Institute of Chartered Secretaries and Administrators and a member of the Malaysian Institute of Certified Public Accountants.

He has extensive experience in the field of financial management, accounting and corporate secretarial functions. He was attached to UAC Berhad from 1974 to 1982. In 1982, he joined Yee Lee Corporation Bhd as Chief Accountant and was promoted to the Board as an Executive Director in 1990.

Currently he sits on the Board of OKA Corporation Bhd; and other public companies which are not listed on the Bursa Malaysia Securities Berhad, namely Yee Lee Corporation Bhd and Yee Lee Organization Bhd. He is also a member of the Audit Committee of the Company.

Spritzer So Tinge! our NEW carbonated drink using natural mineral water with real natural fruity flavour. Comes in three flavours which are Watermelon, Grape and Lemon. This drink is for the unlikely you!

DATO' IR. NIK MOHAMAD PENA BIN NIK MUSTAPHA, DIMP

Independent
Non-Executive Director

MALAYSIAN
MALE
AGE 71

Dato' Ir. Nik Mohamad Pena bin Nik Mustapha was appointed to the Board on July 14, 1997. He obtained a Degree of Bachelor of Science (Civil Engineering) from University of Glasgow, United Kingdom in 1975. He holds the memberships in the following professional bodies, namely the Board of Engineers Malaysia, Institution of Engineers Malaysia, Institution of Highways and Transportation United Kingdom and Association of Consulting Engineers Malaysia. He advises the Board members on all matters relating to civil and structural aspect of the Group's buildings.

He is a consultant engineer and Director of Nik Jai Associates Sdn Bhd, a company of civil and structural engineering consultants. He started his career as a civil engineer with Jabatan Kerja Raya (JKR) in 1975 and was promoted to the post of Senior Executive Engineer in 1980. He left JKR in 1983 and joined an engineering consulting firm. In 1985, he set up his own partnership firm, Nik Jai Associates. In 1990, he incorporated his company, Nik Jai Associates Sdn Bhd which specialises in multi-storey buildings, highways, bridges and water resources.

He is the Chairman of the Audit Committee and Nomination Committee of the Company.

DATO' MOHD ADHAN BIN KECHIK, DJMK, SMK

Independent
Non-Executive Director

MALAYSIAN
MALE
AGE 66

Dato' Mohd Adhan bin Kechik was appointed to the Board on May 16, 1994. He graduated with a Bachelor of Laws (Honours) Degree and Master of Laws Degree from University of Malaya.

He is a lawyer by profession. Currently, he is practising as a partner at Messrs Adhan & Yap. Prior to setting up his own private practice in Kota Bharu, Kelantan in 1984, he was attached to the Legal and Judicial Department for five years serving in the Magistrate Court, High Court, Public Trustee's office and Attorney General's office before being appointed the Legal Adviser to the Ministry of Transport in 1983. He also served the State Government of Kelantan for four years as Menteri Besar's political secretary from 1986 to 1990. He is an elected State Assemblyman of Kelantan for Kemahang from 1995 to 1999 and Bukit Bunga since 2004.

He is the Chairman of the Remuneration Committee, a member of the Audit Committee and Nomination Committee of the Company.

Enjoy the benefits of Spritzer Distilled Drinking Water - so clean that it contains no microorganisms, minerals and chemicals. For its pure nature, it helps bring out the best and natural flavour of every beverages and juices.

TAN CHOW YIN

Non-Independent
Non-Executive Director

MALAYSIAN
MALE
AGE 48

Tan Chow Yin was appointed to the Board on December 15, 2017. He graduated with Master of Engineering with First Class Honours from Imperial College, London, United Kingdom in 1997 and Master of Science from Massachusettes Institute of Technology, United States of America in 1998. He has been a CFA (Chartered Financial Analyst) charterholder since 2011.

He joined Dymon Asia Private Equity ("Dymon") in 2016 as a Partner and Investment Committee Member. He has investment experience across a wide spectrum of sectors including manufacturing, agro-food, consumer products and retail, education, F&B services, aged care, capital equipment and entertainment. Prior to Dymon, he spent 10 years with Navis Capital and left as a Senior Partner, where he focused on investments in Southeast Asia and China. Mr Tan was also a management consultant with The Boston Consulting Group, where he last held the position of Principal.

He is a member of the Remuneration Committee, SGP Committee and EXCO of the Company.

LOH CHOOI NGAN

Independent
Non-Executive Director

MALAYSIAN
FEMALE
AGE 59

Loh Chooi Ngan was appointed to the Board on January 21, 2022. She graduated with a Bachelor of Arts degree in Economics (Hon) from University of Malaya.

She has more than 20 years of experience in FMCG industry. She joined Yee Lee Trading Co Sdn Bhd ("YLT") in 1986 as Management Trainee and had held various senior positions in Sales & Marketing and Product Development covering hypermarkets, chain stores, Petromarts & HORECA outlets. Her last stint was the National Sales Manager of YLT until her retirement in 2011.

She is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Note:
Save as disclosed, none of the above Directors has:

1) any family relationship with any Director and/or major shareholder of the Company;
2) any conviction for offences within the past five years other than traffic offences, if any;
3) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year; and
4) any conflict of interest with the Company, other than the permitted recurrent related party transactions and share buy-back authority as disclosed in the Circular/Statement to Shareholders.

KEY SENIOR MANAGEMENT'S PROFILE

For Key Senior Management's Profiles of Dato' Lim Kok Boon, Mr Lim Seng Lee and Mr Lam Sang, kindly refer to the Directors' Profile in this Annual Report.

DR. CHUAH CHAW TEO

R&D Director

Chuah Chaw Teo, aged 70, male, a Malaysian and was appointed as R&D Director of Spritzer Group on December 15, 2017. He graduated with a Bachelor of Science (Honours) Degree in 1975 and Doctorate in Applied Organic Chemistry in 1979 from University of Otago, New Zealand.

He worked as a teaching assistant in Polymer Laboratory, State University of New York from 1980 to 1982 and as a Research Associate in University of Malaya in 1982. From 1983 to June 1997, he worked for Yee Lee Corporation Bhd in various capacities as Chief Chemist, Research and Development Manager and later as General Manager of Research and Development Department. He joined Chuan Sin Sdn Bhd as its General Manager in July 1997 and responsible for the product development, quality control and improvement of Chuan Sin Sdn Bhd's products.

He was a member of the Committee set up by the Standards and Industrial Research Institute of Malaysia (SIRIM) in 1991 to produce a draft on Malaysian Standards Specification on Natural Mineral Water. Presently, he is the Chairman of the Federation of Malaysian Manufacturers Bottled Water Group and also the Chairman of the Environmental and Technical Committee of the Asia Middle East Bottled Water Association (ABWA). He is a Fellow of the Institute of Kimia Malaysia (IKM) since September 2014. He was a former member of the Industry Advisory Panel for Applied Chemistry Programme at the Universiti Teknologi Petronas (UTP).

He is a member of the Employees' Share Grant Plan ("SGP") Committee and Executive Committee ("EXCO") of the Company.

LIM HOCK LAI

Sales and Operations Director

Lim Hock Lai, aged 44, male, a Malaysian and graduated with Bachelor of Information System from Swinburne University of Technology, Australia. He joined Chuan Sin Sdn Bhd in September 2008 as the Business Manager. He was promoted to Sales and Operations Director since July 1, 2013 and is responsible for the overall Sales and Operations of Spritzer Bhd bottled water and beverages business.

He is an EXCO member of the Company.

He is a son of Dato' Lim Kok Boon, the Managing Director of the Company and Datin Lai Yin Leng. He is also a nephew of Dato' Lim Kok Cheong, the Chairman of the Company and Datin Chua Siok Hoon, both of whom are the major shareholders of the Company. He is also the brother of Mr Lim Seng Lee, the Group Chief Executive Officer of the Company.

SOW YENG CHONG

Group Financial Controller

Sow Yeng Chong, aged 65, male, a Malaysian and joined Spritzer Bhd in October 2009 as the Group Financial Controller. He also serves as Joint Company Secretary of the Company since 2010.

He has wide working experience in the field of accounting and corporate finance.

He started his career in 1981 as an Audit Assistant with Payne Davis & Co and subsequently worked as an Accountant of Far East Marble & Handicraft Sdn Bhd.

He was employed by Yee Lee Corporation Bhd from 1985 to 1997 in various capacities and his last position being the Group Financial Controller and Joint Company Secretary. He was a remisier with TA Securities Holdings Bhd from 1997 to 2009.

He is a director of Yee Lee Corporation Bhd and Kumpulan Belton Berhad.

He is a member of the Malaysian Institute of Accountants.

He is also an EXCO member of the Company.

KEY SENIOR MANAGEMENT'S PROFILE

CHONG MEE YOONG

Deputy General Manager

Chong Mee Yoong, aged 56, female, a Malaysian and joined Chuan Sin Sdn Bhd in 1991 as a Food Technologist and currently holding the position as the Deputy General Manager of Chuan Sin Sdn Bhd since July 2013. She oversees the plant operations and Quality Assurance Department of Chuan Sin Sdn Bhd.

She graduated with a Bachelor of Science (Hons) in Food Science and Nutrition from the National University of Malaysia. Prior to joining Chuan Sin Sdn Bhd, she worked as a Food Technologist with Yee Lee Corporation Bhd in 1990.

She is an EXCO member of the Company.

TAN ENG BONG

Group Production Manager

Tan Eng Bong, aged 55, male, a Malaysian and joined Chuan Sin Sdn Bhd in August 1997 as Engineer. He was promoted to Production and Maintenance Manager on March 1, 2004 and subsequently promoted to the current position on July 1, 2013.

He graduated in Electrical Technology from Feng Chia University at Taiwan.

Additional information:

1. Save for Mr Sow Yeng Chong, none of the other Key Senior Management has any directorship in public companies and listed issuers.
2. Save for Dato' Lim Kok Boon, Mr Lim Seng Lee and Mr Lim Hock Lai, none of the other Key Senior Management has any family relationship with any Directors and/or major shareholders of the Company.
3. None of the Key Senior Management has:-
   (i) been convicted for offences within the past five years, other than traffic offences, if any;
   (ii) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year; and
   (iii) any conflict of interest with the Company.

AUDIT COMMITTEE REPORT

The Board of Directors of Spritzer is pleased to present the Audit Committee ("AC") Report for the financial year ended December 31, 2021.

The purpose, authority, composition, membership, meetings and responsibilities of the AC are set out in the AC Charter which can be viewed at the Company's website at https://www.spritzer.com.my.

MEMBERS OF THE AUDIT COMMITTEE

The AC comprises the following four (4) non-executive Board members:

Chairman
Dato' Ir. Nik Mohamad Pena bin Nik Mustapha
Independent Non-Executive Director

Members
Chok Hooa @ Chok Yin Fatt
Non-Independent Non-Executive Director

Dato' Mohd Adhan bin Kechik
Loh Chooi Ngan (Appointed w.e.f. January 21, 2022)
Dato' Sri Kuan Khian Leng (Resigned w.e.f. January 21, 2022)
Independent Non-Executive Directors

Composition

The AC, appointed by the Board from amongst its members, presently comprises four (4) Non-Executive Directors, with a majority being independent directors. The Independent Directors satisfy the test of independence under Paragraph 1.01 of the Listing Requirements. The Chairman is elected from among the members and is an independent director pursuant to Paragraph 15.10 of the Listing Requirements.

Mr Chok Hooa @ Chok Yin Fatt is a member of the Malaysian Institute of Accountants. In this respect, the Company is in compliance with Paragraph 15.09(1)(c)(i) of the Listing Requirements.

Meetings

During financial year ended December 31, 2021, four (4) meetings were held and the details of attendance of each AC members are as follows:

AC Members	Attendance
Dato' Ir. Nik Mohamad Pena bin Nik Mustapha	4/4
Chok Hooa @ Chok Yin Fatt	4/4
Dato' Mohd Adhan bin Kechik	4/4
Dato' Sri Kuan Khian Leng	4/4

SUMMARY OF WORKS OF THE AUDIT COMMITTEE

During financial year ended December 31, 2021, the AC had discharged its duties and responsibilities by carrying out the following works and activities:

Financial Reporting

1. Reviewed the quarterly financial results including the draft announcements pertaining thereto, and make recommendations to the Board for approval of the same as follows:

Date of meetings	Review of unaudited quarterly financial results and audited financial statements
February 26, 2021	Fourth quarter unaudited financial results as well as the audited financial statements of the Group for the financial year ended December 31, 2020
May 27, 2021	First quarter unaudited financial results ended March 31, 2021
August 25, 2021	Second quarter unaudited financial results ended June 30, 2021
November 26, 2021	Third quarter unaudited financial results ended September 30, 2021
February 25, 2022	Fourth quarter unaudited financial results as well as the audited financial statements of the Group for the financial year ended December 31, 2021

The above review is to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia;

2. Reviewed with the Management on any significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understood their impact on the financial statements and steps taken to address the matters.

Risk Management and Internal Control

1. Deliberated and reviewed on the Group's risk profile, the key risks identified and the risk management process to ensure that all high and critical risk areas are being addressed;

2. Reviewed with the Management and internal auditors on the adequacy and effectiveness of the internal control system to ensure compliance with the internal controls and procedures set up within the Group and adequate scope coverage over the activities of the Group;

3. Reviewed and deliberated internal audit reports and to monitor/follow-up on remedial action. The internal audit team had tested, assessed and obtained reasonable assurance that the internal controls within the financial and operational system had remain intact.

4. Reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval prior to the inclusion in the Company's Annual Report 2021.

External Audit

1. Reviewed with the External Auditors at the meeting held on November 26, 2021, their audit plan in respect of the financial year ended December 31, 2021, outlining the responsibilities of Audit Committee, materiality level of the Group, significant risks and areas of audit focus, internal control plan, involvement of internal auditors, involvement of internal specialists, involvement of audit data analytics, timing of audit, technical updates on financial reporting & other updates, fraud responsibilities and representations, engagement quality control and independence policies and procedures;

2. Discussed and considered the significant accounting and auditing issues arising from the interim audit as well as the final audit with the External Auditors. The AC also had a private discussion with the External Auditors on February 25, 2022 without the presence of Management during the review of the Progress Report to those charged with governance for the financial year ended December 31, 2021 to discuss any fraudulent case and/or problems/issues arising from the audit;

3. Reviewed and evaluated the performance, competency, professionalism and the confirmation of independence from the External Auditors. In respect of the financial year ended December 31, 2021, Deloitte PLT has confirmed their independence to act as the Company's External Auditors in accordance with the relevant professional and regulatory requirements.

   The AC, having been satisfied with the performance, independence and suitability of Deloitte PLT, had recommended to the Board for approval of the re-appointment of Deloitte PLT as the External Auditors for the financial year ending December 31, 2022 at its meeting held on February 25, 2022 at a fee to be determined later.

Internal Audit

1. Reviewed and approved the Internal Audit Plan for the financial year ended December 31, 2021 to ensure that the scope and coverage of the internal audit of the Group is adequate and comprehensive;

2. Reviewed the quarterly internal audit reports and considered the findings and recommendations made including the Management's responses and the corrective action, if necessary. The outsourced Internal Auditors monitored the implementation of Management's action plans on outstanding issues through follow up audits to ensure that all key risks and weaknesses were being properly addressed;

3. Reviewed the performance, effectiveness and independence of the internal audit functions. The AC, having satisfied that the outsourced Internal Auditors has maintained a high degree of independence and professionalism in carrying out their duties as the internal auditors and agreed that the internal audit function is effective and able to provide value added services to the Group.

Other activities

1. Reviewed on a quarterly basis, the recurrent related party transactions entered into by the Group and by the Company to ascertain that the transactions are conducted at arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders;

2. Reviewed and/or updated the Group's Code of Conduct, Anti-Corruption and Bribery Policy, Corporate Disclosure Policy, Whistleblower Policy, AC Charter and Board Diversity Policy prior recommendation to the Board for approval;

3. Reviewed the AC Report and Corporate Governance Overview Statement for inclusion in the Annual Report 2021 before recommendation to the Board for approval.

The Group does not have an internal audit department of its own and had therefore engaged the services of a related party to carry out such tasks. Total costs incurred for the internal audit function of the Group for the financial year ended December 31, 2021 amounted to RM45,850.

SUMMARY OF WORKS UNDERTAKEN BY A RELATED PARTY ENGAGED TO CARRY OUT INTERNAL AUDIT FUNCTION

The Company has engaged a related party, Yee Lee Edible Oils Sdn Bhd, to perform internal audit function for the Group. The outsourced internal auditors have performed routine audit on most operating units within the Group, with emphasis on principal risk areas. The planning and conduct of audits based on the risk profile of the business units of the Group is in line with the approach adopted in the Enterprise Risk Management of the Group. Their audit scopes include regular independent assessments and systematic review of the adequacy, efficiency and effectiveness of the Group's internal control system. The internal auditors also undertake to conduct special audits from time to time as requested by the senior management.

Audit assignments were performed during the year on subsidiary companies of the Group covering review of inventory and assets management, accounting system, credit control system, purchasing and sales function, production and equipment maintenance system, adherence to quality management system and regulatory compliance. The internal audit also includes areas such as risk management system, sustainability reporting function and anti-bribery & corruption system. Audit reports incorporating the findings and recommendations for corrective actions on the systems and control weaknesses are presented to the Management concerned and thereafter to the AC for appraisal and review. The Management ensures all remedial actions have been taken to resolve the audit issues as highlighted in the audit reports within a reasonable time frame. Significant issues are brought up by the AC to the Board's attention on quarterly basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Spritzer Bhd ("Spritzer" or "Company") adheres to high standards of corporate governance practices under the leadership of the Board of Directors ("Board"), as guided by the new Malaysian Code on Corporate Governance ("MCCG"). It is being applied as a fundamental part of discharging the directors' responsibilities to protect and enhance shareholders' value.

The Board of Directors of Spritzer presents this statement to provide shareholders and investors with an overview of the corporate governance ("CG") practices of the Company under the leadership of the Board during the financial year 2021. This statement takes guidance from the key CG principles as set out in the MCCG. The detailed application for each practice as set out in the MCCG is disclosed in the Corporate Governance Report 2021 ("CG Report 2021") which is available on the Company website at https://www.spritzer.com.my.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board Responsibilities

1. Board's Leadership on objectives and Goals

1.1 Company's strategic aims, values and standards

The Board is always mindful of its responsibilities to the Company's shareholders and other stakeholders for creating and delivering sustainable value and long-term success through its leadership and management of the Company's businesses, in pursuing the commercial, social and governance objectives of the Company.

For the foregoing, the Board is responsible for formulating the strategic plans, and establishing visions and goals for delivery of such long-term value, and ensures effective leadership through oversight on management and continuously monitoring, overseeing and evaluating the Group's strategies, policies and performance so as to protect and enhance shareholders' and other stakeholders' value.

The Managing Director, Group Chief Executive Officer and Executive Director are primarily responsible for the implementation of the strategies set by the Board and manage the day-to-day operations and administrative functions. The Management supports the Executive Directors and implements the running of the financial and general operations of the Company.

The Independent Non-Executive Directors provide objective and independent judgement to the decision making of the Board which provides an effective check and balance to the Board's decision-making process.

The Board does not actively manage but rather oversees the management of the Group. To ensure the effective discharge of its functions and responsibilities, the Board delegates some of its authorities and discretion to the Managing Director, Group Chief Executive Officer, Executive Director, representing the Management as well as the Board Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC"), Executive Committee ("EXCO") and Employees' Share Grant Plan ("SGP") Committee, which are entrusted with specific responsibilities to oversee the Group's affairs, with authorities to act on behalf of the Board in accordance with their respective Terms of Reference.

The ultimate responsibility for the final decision on all matters deliberated in these Committees, however, lies with the Board. Besides that, the Chairman of the relevant Board Committees also reports to the Board on key issues deliberated by the Board Committees at their respective meetings.

Further details on the Spritzer Group risk governance and sustainability governance are set out in the Statement on Risk Management and Internal Control and Sustainability Statement of this Annual Report.

1.2 The Chairman

The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and is responsible for its overall effectiveness in directing the Company and Group. The Chairman is committed to good corporate governance practices and has been leading the Board towards high performing culture.

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

Part I – Board Responsibilities (Cont'd)

1. Board's Leadership on objectives and Goals (Cont'd)

1.3 Separation of positions of the Chairman and Group Chief Executive Officer

The roles and responsibilities of the Chairman and Group Chief Executive Officer are separated to ensure a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Group Chief Executive Officer has the overall responsibilities over organizational effectiveness and the implementation of Board's policies and decisions.

The separation of responsibilities between the Chairman and Group Chief Executive Officer are set out in the Board Charter which can be viewed at the Company's website at https://www.spritzer.com.my.

1.4 Chairman of the Board and Board Committees

The Non-Executive Chairman of the Board, namely Dato' Lim Kok Cheong assumes his position as the Chairman of the Board only and not appointed as a member of any of the Board Committees to ensure there is check and balance and objective review by the Board.

1.5 Qualified and Competent Company Secretaries

The Board is supported by two (2) professionally qualified Company Secretaries who individually has more than fifteen (15) years of corporate secretarial experience. Both Company Secretaries have the requisite credentials and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016.

The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the same regulatory environment, through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their function and duties.

1.6 Meeting Materials

The Board is provided with an agenda, reports and other relevant information at least seven (7) days prior to the convening of the Board Meetings, covering various aspects of the Group's operations, so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision. All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretaries. Senior management and advisers are invited to attend Board Meetings, where necessary, to provide additional information and insights on the relevant agenda items tabled at Board Meetings.

The Company Secretaries attend and ensure that the deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board is guided by the Board Charter which sets out the roles, functions, authority, responsibilities, membership, key matters reserved for the Board, relationships with management and other matters.

The Board will review the Board Charter periodically and updates it in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities to ensure its effectiveness. The Board Charter can be viewed at the Company's website at https://www.spritzer.com.my.

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

Part I – Board Responsibilities (Cont'd)

3. Good Business Conduct and Healthy Corporate Culture

3.1 Code of Ethics and Conduct

The Board has formalised a Directors' Code of Ethics and Conduct that is incorporated in the Board Charter, which sets out the standard of conduct expected of Directors, with the aim to cultivate good ethical conduct that permeates throughout the Group through transparency, integrity and accountability.

Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group as soon as they become aware of the interest and abstain themselves from any deliberations on the matter.

3.2 Whistleblower Policy

The Company's Whistleblower Policy provides a mechanism for its Board members, all levels of employees, contractors, suppliers, bankers, customers and business associates to report suspected or instances of wrongdoing in the conduct of its business, whether in matters of financial reporting or other malpractices, at the earliest opportunity and in an appropriate way.

The Whistleblower Policy is available on the Company's website at https://www.spritzer.com.my.

4. Sustainability

4.1 Governance of Sustainability

Spritzer adopted a structured approach to establish and formalise a sustainability framework as part of the ongoing effort to enhance our sustainability practices and meet the Main Market Listing Requirements ("Listing Requirements") on Sustainability Reporting as published by Bursa Malaysia Securities Berhad ("Bursa Securities"). The integration of Economic, Environmental and Social sustainability factors into Spritzer's business strategies and operations driving long-term operational efficiencies to the group.

4.2 Communication of Company's Sustainability Strategies, Priorities, Targets and Performance

The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. Since 2018, the Company has been publishing its annual sustainability reports with the purpose of ensuring that it remains accountable to all its stakeholders.

Continuous involvement with our stakeholders enables the Company to resolve critical issues pertaining to the company operations, allowing Management to understand new trends and diverse viewpoints, as well as build our relationships in order to make informed business choices and execute on our commitments.

4.3 Board Keep Abreast of the Relevant Sustainability Issues

During the financial year, the Group Financial Controller updated the Board on the Environmental, Social and Governance ("ESG") risks and opportunities together with the proposed mitigation plans during the Board meeting.

The Board keeps fully abreast of latest regulations and guidance applicable to the business including current and emerging environment problems and develop robust practices around factoring environmental considerations into Board decision making.

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

Part II – Board Composition

5. Board's objectivity

5.1 NC

The NC oversees and reviews on an on-going basis, the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NC on an annual basis.

5.2 Composition of the Board

The Board has nine (9) members, comprising three (3) Executive Directors and six (6) Non-Executive Directors for the financial year ended December 31, 2021. The role of Chairman is held by a Non-Independent Non-Executive Director, namely Dato' Lim Kok Cheong. Out of the nine (9) Directors, three (3) are independent. Although less than half of the Board comprises Independent Directors, the Board views the number of its Independent Non-Executive Directors as adequate to provide necessary check and balance to the Board's decision-making process.

This Board composition complies with the Listing Requirements to have at least one third of the Board consisting of Independent Directors.

5.3 Tenure of Independent Directors

The NC and the Board assessed the independence of the Independent Directors annually. The Board Charter has adopted Practice 5.3 of the MCCG to seek shareholders' approval in the event the Board desires to retain as an Independent Director, a person who has served in that capacity for more than nine (9) years. If the Board continues to retain the Independent Director after the twelfth (12th) year, the Board must seek shareholders' approval annually through a two-tier voting process.

The NC and the Board have determined at the annual assessment carried out on Dato' Mohd Adhan bin Kechik and Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, both of them have served on the Board for a cumulative term of more than twelve (12) years, that they remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. The length of their services on the Board does not in any ways interfere with their exercise of independent judgement and ability to act in the best interest of the Company.

The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

Resolutions under the special business to retain Dato' Mohd Adhan bin Kechik and Dato' Ir. Nik Mohamad Pena bin Nik Mustapha as Independent Directors will be tabled in the forthcoming 29th Annual General Meeting ("AGM") through a two-tier voting process.

5.4 Policy on Independent Director's Tenure

The Company has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years, being a step-up practise.

5.5 Diverse Board and Senior Management

Appointment of Board and Senior Management are based on objective criteria, merit, skills and experiences and not driven by age and gender.

Please refer to the Directors' Profile and Key Senior Management's Profile in this Annual Report for further information.

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

Part II – Board Composition (Cont'd)

5. Board's objectivity (Cont'd)

5.6 New Candidates for Board Appointment

The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that such nomination has its merits.

The Board will use variety of approaches and sources to ensure it is able to identify the most suitable candidates and will consider independent sources as and when required.

5.7 Annual Evaluation on Retiring Directors

The performance of retiring Directors who are recommended for re-election at the forthcoming 29th AGM have been assessed through the Board and the NC evaluations which includes the independence of Independent Non-Executive Directors.

5.8 Chairman of the NC

The NC is chaired by Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, the Independent Non-Executive Director appointed by the Board. The Chairman of the NC has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

5.9 Board diversity

The Board recognises that a gender-diverse Board could offer greater depth and breadth. Where candidates are relatively equivalent in their level of required skills, knowledge, experience and competency, the Board is committed to giving preference to female candidates in order to enhance diversity and add a broader perspective on the Board.

As of January 21, 2022, the Board has one female director.

5.10 Gender Diversity Policy

The Board is supporting of gender diversity policy and the recommendation of the MCCG pertaining to the establishment of a gender diversity policy to support the participation of women on the board as well as senior management.

The Board Diversity Policy of the Company is to have 2 female directors as its members. The Board through the recommendation of the NC, has appointed a woman director, namely Ms. Loh Chooi Ngan to the Board on January 21, 2022.

The Board will endeavour to have greater women representation on the Board based on effective blend of required skills, experience and knowledge in areas identified and the needs of the Group.

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

Part II – Board Composition (Cont'd)

6. Overall Board Effectiveness

6.1 Annual evaluation and directors training

The Directors are aware of the time commitment expected from each of them to attend to the matters of the Group generally, including attendance at Board, Board Committee and other types of meetings. None of our Directors are directors of more than three (3) public listed companies. The Board is satisfied that the present directorships in external organizations held by the Directors do not give rise to any conflict of interests nor impair their ability to discharge their responsibilities to the Group. The Directors would notify the Company prior to accepting any new directorship in a public listed company.

The Board has committed to meet at least four (4) times a year, usually before the announcement of quarterly results to Bursa Securities, with additional meetings convened when necessary. In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are obtained via circular resolutions which are supported with information necessary for an informed decision. To facilitate Directors' planning and time management, an annual meeting calendar is prepared and given to Directors before the beginning of the new financial year.

During the financial year ended December 31, 2021, four (4) Board meetings were held and the attendance is as follows:-

Directors	Attendance
Dato' Lim A Heng @ Lim Kok Cheong	4/4
Dato' Lim Kok Boon	4/4
Lim Seng Lee	4/4
Lam Sang	4/4
Chok Hooa @ Chok Yin Fatt	4/4
Dato' Ir. Nik Mohamad Pena bin Nik Mustapha	4/4
Dato' Mohd Adhan bin Kechik	4/4
Dato' Sri Kuan Khian Leng	4/4
Tan Chow Yin	4/4

* *Subsequent to the financial year ended December 31, 2021, Ms. Loh Chooi Ngan was appointed as a Director of the Company on January 21, 2022 and Dato' Sri Kuan Khian Leng was resigned as a Director of the Company on the same day, i.e. January 21, 2022.*

The Board acknowledges that continuous education is vital in keeping the Directors abreast with developments in the market place and with new statutory and regulatory requirements, besides enhancing professionalism and knowledge in enabling them to discharge their roles in an effective manner.

Relevant training programmes were arranged to facilitate knowledge building for Directors. The Directors may also attend additional training courses according to their individual needs, to equip themselves for the discharge of their responsibilities as directors of a public listed company and in the Board Committees on which they serve.

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

Part II – Board Composition (Cont'd)

6. Overall Board Effectiveness (Cont'd)

6.1 Annual evaluation and directors training (Cont'd)

All the Directors have attended development and training programmes during the financial year ended December 31, 2021. The conferences, seminars, workshops and training programmes attended by the Directors were as follows:

Name	Conferences, seminars, workshops and training programmes
Dato' Lim Kok Cheong	PowerTalk Global Series 2021 - Demystifying Investors' ESG Expectations, the Do's & Don'ts
Dato' Lim Kok Boon	Fraud Risk Management Workshop 2021
Lim Seng Lee	To Jab or Not to Jab
	Knowing Your Enneagram Personality Type and Number
	Experience Husky Southeast Asia
	Low Carbon Cities Webinar Series: GHG Inventory
	Moonshot Forum
	Stem Cells: How They Work and Who can Benefit from Them
	2021 Belt and Road Trade Investment Forum
Lam Sang	Fraud Risk Management Workshop 2021
Chok Yin Fatt	Corporate Talk – HRDF: The Relevance & Significance of PSMB Act 2001
	Corporate Talk "Disclosure Requirement : Who is A Beneficial Owner?"
	Audit Oversight Board Conversation with AC
Dato' Ir. Nik Mohamad Pena bin Nik Mustapha	Luncheon Webinar Series on Water and Wastewater
Dato' Mohd Adhan bin Kechik	Special Voluntary Disclosure & Amnesty Program ("VA") for Indirect Taxes
Dato' Sri Kuan Khian Leng	2020 Portal Demand Analytics Webinar
	Latest Legal Developments in the Construction Industry
	MBAM Annual Safety & Health Conference 2021
	Sustainable Rating Tools as Ways to Enhance Your Project
	ACF Webinar on Covid-19 (Temporary Measures) Act - Issues, Challenges and Way Forward in the Singapore Construction Industry
	Audit Oversight Board Conversation with AC
Tan Chow Yin	Advanced Anti-Money Laundering
	Private Equity & Venture Capital Trends in Asia Pacific and Southeast Asia
	Post Pandemic Sales and Marketing Strategies

Ms. Loh Chooi Ngan who was appointed to the Board on January 21, 2022 had attended the Bursa Malaysia Mandatory Accreditation Programme organized by the Institute of Corporate Directors Malaysia from April 6, 2022 to April 8, 2022 in compliance with the Listing Requirements.

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

Part III – Remuneration

7. Level and Composition of Remuneration

7.1 Remuneration Policy

The Board believes that competitive remuneration is important to attract, retain and motivate Directors with necessary calibre, expertise and experience to lead the Group in the long term. The Board had adopted policy and procedures to determine the remuneration of Directors and Senior Management which takes into account the demands, complexities and performance of the Group as well as skills and experience required to determine the remuneration of Directors and Senior Management.

The Remuneration Policy is available on the Company's website at https://www.spritzer.com.my.

7.2 RC

During the financial year ended December 31, 2021, the RC comprised three (3) members, all of whom are Non-Executive Directors with a majority of them are Independent Directors.

Meetings of the RC are held as and when necessary, and at least once a year. During the financial year ended December 31, 2021, the RC convened meeting on February 25, 2021. Full attendances of the members were recorded for the meeting.

The Terms of Reference of the RC is available on the Company's website at https://www.spritzer.com.my.

8. Remuneration of Directors

8.1 Directors' Remuneration

The details of the remuneration of the Directors of the Company (comprising of remuneration received and/or receivable from the Company and its subsidiaries) during the financial year ended December 31, 2021 are categorised as follows:

The Group

Non-Executive Directors	Fees RM'000	Meeting Allowance RM'000	Salaries RM'000	Bonus RM'000	Equity-settled Share-based Payment RM'000	Benefits in-kind RM'000	Other Emoluments RM'000	Total RM'000
Dato' Lim Kok Cheong	72.0	2.0	-	-	-	36.2	467.7	577.9
Chok Yin Fatt	30.0	5.0	-	-	-	-	56.5	91.5
Dato' Ir. Nik Mohamad Pena bin Mustapha	30.0	4.5	-	-	-	-	12.4	46.9
Dato' Mohd Adhan bin Kechik	30.0	5.0	-	-	-	-	37.8	72.8
Dato' Sri Kuan Khian Leng	30.0	5.0	-	-	-	-	0.4	35.4
Tan Chow Yin	-	-	-	-	-	-	-	-
Executive Directors								
Dato' Lim Kok Boon	60.0	2.0	1,396.2	1,357.5	459.6	72.5	289.5	3,637.3
Lim Seng Lee	30.0	5.5	1,110.0	730.0	459.6	19.5	243.5	2,598.1
Lam Sang	43.5	4.5	447.0	180.0	405.7	17.4	59.9	1,158.0
Total	**325.5**	**33.5**	**2,953.2**	**2,267.5**	**1,324.9**	**145.6**	**1,167.7**	**8,217.9**

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

Part III – Remuneration (Cont'd)

8. Remuneration of Directors (Cont'd)

8.1 Directors' Remuneration (Cont'd)

The Company

Non-Executive Directors	Fees RM'000	Meeting Allowance RM'000	Salaries RM'000	Bonus RM'000	Equity-settled Share-based Payment RM'000	Benefits in-kind RM'000	Other Emoluments RM'000	Total RM'000
Dato' Lim Kok Cheong	33.0	2.0	-	-	-	-	-	35.0
Chok Yin Fatt	30.0	5.0	-	-	-	-	-	35.0
Dato' Ir. Nik Mohamad Pena bin Mustapha	30.0	4.5	-	-	-	-	12.4	46.9
Dato' Mohd Adhan bin Kechik	30.0	5.0	-	-	-	-	0.4	35.4
Dato' Sri Kuan Khian Leng	30.0	5.0	-	-	-	-	0.4	35.4
Tan Chow Yin	-	-	-	-	-	-	-	-
Executive Directors								
Dato' Lim Kok Boon	30.0	2.0	-	-	-	-	-	32.0
Lim Seng Lee	30.0	2.5	-	-	-	-	-	32.5
Lam Sang	30.0	1.5	-	-	-	-	-	31.5
Total	**243.0**	**27.5**	**-**	**-**	**-**	**-**	**13.2**	**283.7**

8.2 Top five Senior Management's Remuneration

The Board is of the view that it is inappropriate to disclose the remuneration of the top five (5) senior management's remuneration taking into consideration the sensitivity, security, and issue of staff morale.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I – AC

9.1 Chairman of the AC

The AC is chaired by an Independent Director, namely Dato' Ir. Nik Mohamad Pena bin Nik Mustapha who is distinct from the Chairman of the Board.

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

Part I – AC (Cont'd)

9.2 AC Charter

The AC Charter of the Company stated that no former key audit partner of the external auditors of the Company shall be appointed as a member of the AC before observing a cooling-off period to ensure the person does not exert influence over the audit and preparation of financial statements.

9.3 Assessment of Suitability & Independence of External Auditor

The AC has conducted an evaluation session with Deloitte PLT to evaluate their independency and professionalism as external auditors in respect of the financial year ended December 31, 2021. The Audit Partner has on behalf of Deloitte PLT, accepted the evaluation session and informed that they have not identified any breach of independence and they are in compliance with the independence requirements set out in the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants *(including International Independence Standards)*.

The AC and the Board having been satisfied with the performance, independence and suitability of Deloitte PLT, proposed and recommended that Deloitte PLT be re-appointed as the external auditors of the Company and this was approved by the shareholders of the Company at the 28th AGM of the Company based on the credentials and resources of Deloitte PLT.

9.4 Composition of AC

The AC of the Company presently comprises four (4) Non-Executive Directors, with a majority being independent directors.

9.5 Financial Literacy

Mr Chok Hooa @ Chok Yin Fatt is a member of the Malaysian Institute of Accountants. In this respect, the Company is in compliance with the Listing Requirements.

The members of AC attend trainings from time to time to ensure that they are kept abreast of the latest developments in the areas of the capital markets, regulatory and corporate governance while equipping themselves with the know-how to contribute further to the effectiveness of the Board.

Part II – Risk Management and Internal Control Framework

10. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10.1 Risk Management and Internal Control Framework

The Board acknowledges the importance in maintaining sound internal controls and effective risk management practices to mitigate and to manage potential adverse impact arising from unfavourable future events or condition, as good corporate governance in the pursuit of the Group's business objectives.

The Board affirms its overall responsibility for the Group's risk management and internal control system which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. The Board is taking appropriate initiatives to further strengthen the transparency, accountability and efficiency of the Group's operations.

The Board also recognises that a sound system of internal control can only provide reasonable, but not absolute assurance against material loss or failure. The internal control system is thus designed to minimise rather than to completely eliminate the risk of failure in achieving the Group's business objectives. This denotes that the internal control system has been applied to manage risks within cost levels appropriate to the significance of the risks.

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

Part II – Risk Management and Internal Control Framework (Cont'd)

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

10.2 Features, Adequacy and Effectiveness of Risk Management and Internal Control Framework

The Board has adopted a systematic approach to oversee the actual performance and provides guidance to the Management on measures to improve the business performance and minimise risk impacts. The Group has an adequate and effective risk management framework, and a sound internal control system in place. A summary of significant risks is submitted to the AC for its attention. The AC will review and monitor the effectiveness of the Group's risk management system and advises the Board accordingly. The Group Financial Controller also serves as the Group's Risk Officer who is responsible for enabling the efficient and effective governance of significant risks, and related opportunities, to the Group.

The Board remains committed towards improving the system of internal control and risk management process to meet its corporate objectives and to support all types of businesses and operations within the Group. The Board is of the opinion that the Group's present system of internal controls is sound and sufficient to safeguard the Group's interest and its business operations. It is also satisfied that the risks taken are at an acceptable level within the control of the business environment of the Group.

The features of risk management and internal control framework are adequately disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

11. EFFECTIVE GOVERNANCE, RISK MANAGEMENT & INTERNAL CONTROL

11.1 Internal Audit Function

The internal audit function of the Company is carried out by an independent Internal Audit Team that assists the AC in managing the risks and establishment of the internal control system and processes of the Company by providing an independent assessment on the adequacy, efficiency and effectiveness of the Company's internal control system and processes. The Internal Audit Team reports directly to the EXCO and the AC. Significant issues are brought up by the AC to the Board's attention on quarterly basis. The internal audit function is independent of the operations of the Company and provides reasonable assurance that the Company's system of internal control is satisfactory and operating effectively.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control and the AC Report of this Annual Report.

11.2 Credential of the Internal Audit Team

The Company has engaged a related party to perform internal audit function for the Group. The Internal Audit Team has carried out their duties objectively, impartially and independently in accordance with the International Professional Practice Framework for Internal Auditing and Code of Ethics for Internal Auditors.

The Internal Audit Team is free from any relationships or conflicts of interest, which could impair their objectivity and independence. The staff involved in the internal audit reviews possess professional qualifications and/or a Bachelor Degree. The Head of Internal Audit Team has a diverse professional experience in internal audit, risk management and corporate governance advisory.

The Internal Audit Team has and will continue to keep abreast with developments in the profession, relevant industry and regulations.

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

Part I – Engagement with Stakeholders

12. Continuous Communication between the Company and Stakeholders

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Company's business and corporate development and ensures that the Company's communication with them is transparent and timely. Announcements, news, promotions and all relevant updates are posted on the Company's website regularly. The Group Financial Controller oversees investor relations and where appropriate and practicable, will engage with research analysts, fund managers and institutional shareholders based on mutual understanding of objectives and entertains visits from such groups.

Part II – Conduct of General Meetings

13.1 Notice of AGM

The notice of the 28th AGM was issued at least 28 days before the AGM date to give shareholders a good lead time to read and consider the resolutions to be resolved. The Company subsequently issued a notification to the shareholders accompanied with an administrative guide that seeks to provide information and facilitate induction of shareholders or their proxies in relation to the virtual AGM.

13.2 Attendance of Directors in AGM

All the Directors of the Company attended the 28th AGM on a fully virtual basis and entirely via the Remote Participation and Voting facilities ("RPV") on May 27, 2021.

The said AGM included an avenue for questions by and answers to shareholders and proxies. The Chairman had invited shareholders and proxies to raise their questions on the Company's financial statements and all other resolutions related to the 28th AGM. All members of the Board, Group Financial Controller and external auditors were present at the 28th AGM to respond to questions raised by the shareholders or proxies.

13.3 Shareholders' participation in AGM

In view of the COVID-19 pandemic, the Company had taken the necessary precautions and preventive measures in complying with the directives issued by the Ministry of Health Malaysia. These include the option of remote shareholders and proxy participation at the 28th AGM.

At its virtual 28th AGM held on May 27, 2021, the Company had continued to leverage on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions.

13.4 Interaction platform during and after AGM

The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions for all the agendas related to the 28th AGM of the Company and that adequate responses were given.

13.5 Conduct of Virtual AGM

The Board had ensured that the required infrastructure and tools were in placed to enable the smooth broadcast of the 28th AGM and meaningful engagement with the shareholders and proxies. The questions posed by the shareholders and/or proxies were responded by the Group Chief Executive Officer and Group Financial Controller during the 28th AGM.

13.6 Outcome and Minutes of AGM

The Chairman announced the voting results of all the resolutions tabled before the closure of the 28th AGM and the outcome of the 28th AGM is announced to Bursa Securities on the same meeting day. The summary of the AGM proceedings and the Q&A posted during the AGM were available on the Company's website at https://www.spritzer.com.my.

This CG Overview Statement was approved by the Board on April 8, 2022.

OTHER INFORMATION

1. Utilisation of Proceeds raised from Corporate Proposals

There were no proceeds raised from any corporate proposal during the financial year ended December 31, 2021.

2. Audit and Non-audit Services Fees

For the financial year ended December 31, 2021, the amount of audit and non-audit fees paid/payable to the Company's external auditors are as follows:

	The Group RM'000	The Company RM'000
Audit fee	217	47
Non-audit fee	1	-
Total	**218**	**47**

3. Material Contracts

There was no material contract which has been entered into by the Group, involving the Directors' and major shareholders' interests, since the end of the previous financial year and at the end of the financial year.

4. Employee Share Scheme

Employees' Share Grant Plan ("SGP")

The Company's SGP was approved by the shareholders of the Company at the Extraordinary General Meeting held on May 30, 2019. The Company granted up to 5% of its issued share capital (excluding treasury shares) to eligible employees and Executive Directors of the Company and its subsidiaries, which are not dormant (collectively referred to as "Eligible Employees") of the Group. The SGP is administered by the SGP Committee and governed by a set of by-laws.

The number of SGP Shares outstanding as of December 31, 2021 is 9,292,000 and none of the SGP Shares are vested.

The details of SGP Shares awarded to Eligible Employees are as follows:

	Balance as of 1.1.2021 '000 units	Vested '000 units	Lapsed '000 units	Balance as of 31.12.2021 '000 units
Executive Directors	3,251	-	-	3,251
Key management personnel	3,037	-	(262)	2,775
Others	3,684	-	(418)	3,266
Total	**9,972**	**-**	**(680)**	**9,292**

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Spritzer Bhd ("Board") is pleased to provide the following Statement on Risk Management and Internal Control pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). The Board is committed towards fulfilling its responsibility on the Group's compliance with the Principle and the related Practices in relation to risk management and internal control as stipulated in the Malaysian Code on Corporate Governance. The Statement outlines the key features of risk management and internal control system of the Group during the year under review.

BOARD RESPONSIBILITIES

The Board acknowledges the importance in maintaining sound internal controls and effective risk management practices to mitigate and to manage potential adverse impact arising from unfavourable future events or condition, as good corporate governance in the pursuit of the Group's business objectives.

The Board affirms its overall responsibility for the Group's risk management and internal control system which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. The Board is taking appropriate initiatives to further strengthen the transparency, accountability and efficiency of the Group's operations.

The Board also recognises that a sound system of internal control can only provide reasonable, but not absolute assurance against material loss or failure. The internal control system is thus designed to minimise rather than to completely eliminate the risk of failure in achieving the Group's business objectives. This denotes that the internal control system has been applied to manage risks within cost levels appropriate to the significance of the risks.

RISK MANAGEMENT FRAMEWORK

The Group recognises that effective Risk Management is an integral part of corporate governance and continuously strives for excellence to ensure effective and systematic protection of its personnel, assets and stakeholders. The effectiveness of the risk management is monitored and evaluated by all levels of management on an ongoing basis. The Group's Enterprise Risk Management ("ERM") Framework provides for regular review and reporting.

The Group's Executive Committee ("EXCO") which is headed by the Group Chief Executive Officer and include other members from Senior Management, including the Group Financial Controller provides direction and counsel to the risk management process as well as involves in the evaluation of the structure for the Group's risk management processes and support system. In addition, it also reviews and approves actions developed to mitigate key risks and advises the Board on risk related issues.

Companies within the Group has their own Risk Management Committee ("RMC") chaired by Managing Director or R&D Director of the respective companies and the members (Risk Management Representatives) are departmental heads of various business units. Risks identified are raised for attention in the Risk Action Plan ("RAP"). The RAPs include an assessment of the degree of risk, and an evaluation of the effectiveness of the risk mitigating and treatment measures. RAPs are compiled by the Risk Management Representative, reviewed by the Group Risk Officer and approved by the RMC Chairman. RAPs are discussed during RMC meetings that are held at least twice a year, where possible. All RAPs are reported to EXCO and discussed during its meetings.

A summary of significant risks is submitted to the Audit Committee for its attention. The Audit Committee reviews and monitors the effectiveness of the Group's risk management system and advises the Board accordingly.

The Group Financial Controller also serves as the Group's Risk Officer who is responsible for enabling the efficient and effective governance of significant risks, and related opportunities, to the Group.

The risk management programme has served the Group with structured, consistent approaches and methodologies in responding to the uncertainties in its operating environment. This warrants the strategic and rapid response by the management to impede the impact on its key risks to achieve the Group's business objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL ENVIRONMENT

- The Board Charter sets out the responsibilities and functions of the Board.
- Board committees such as the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee ("EXCO") are established by the Board and they are governed by clearly defined terms of reference and authority for areas within their scope.
- The Employee Handbook of Spritzer Bhd provides for the corporate philosophy, core values and milestones of the Group and at the same time sets out the ethical standards and expected code of conduct to achieve the Group's vision and support the business objectives, risk management and internal controls.
- The Group has also written Environment, Safety and Health and Information Technology policies and procedures which are also incorporated into the Employee Handbook.
- The Group has organisational structures which are aligned with its business and operational requirements setting out clearly defined levels of authority and responsibilities. Job descriptions for all levels of employees are also clearly documented and updated on a timely basis.
- The Group complies with ISO 9001:2015 Quality Management System and has established Risk Matrix and Risk & Opportunity ("R&O") Register.
- Anti-Corruption and Bribery Policy sets out the Group's commitment in rejecting any forms of corruption and bribery activities.

INTERNAL AUDIT FUNCTION

The Group engages an independent Internal Audit Team to conduct scheduled internal audit visits to business units and carries out its functions in monitoring the effective application of policies, procedures and activities related to internal controls, risk management and governance processes.

The Internal Audit Team conducts risk-based audit with focus on effective risk management practices. Its primary function is to provide objective and independent assurance of the Group's system of internal controls as well as reviewing the adequacy and effectiveness of risk management, governance and control processes that are in place. It also monitors compliance with applicable laws and regulations, policies, and guidelines to ensure these are adhered to by the Group. Internal control weaknesses, if any together with audit recommendation for improvement shall be reported to management for corrective and/or preventive actions. Significant audit findings and corrective measures are highlighted to EXCO and the Audit Committee.

CONTROL ACTIVITIES

The control activities carried out by the Group include the following:

- The Group has in place policies and procedures in the form of Standard Operating Procedures – SOP and Operational Manuals in key business processes and support functions which include financial reporting, human capital, procurement, and information systems. Policies and procedures are also established relating to delegation of authority and segregation of duties.
- The ISO Risk Matrix, R&O and improvement plans are reviewed by respective Head of Departments during monthly meetings and updates are presented to and discussed in RMC meetings.
- The Audit Committee reviewed and approved the internal audit plan at the start of the year and reviews the internal audit reports and other internal control issues identified by the Internal Auditors.
- The EXCO, which consists of three Board and other Senior Management of the Group, met regularly to deliberate on key business decisions, assessed ongoing business performance and made recommendations to the Board.
- The Group's Sustainability Advisory Team which is made up of Senior Management of the Group held meetings with Sustainability Unit members and working groups to discuss and advise on sustainability matters and to ensure compliance with Listing Requirements on sustainability reporting.
- Major capital expenditures and investments are reviewed and approved by the EXCO and the Board. All other purchases and payments are approved by reference to formalised limits of authority.
- The Group has in place insurance coverage where it is available on economically acceptable terms to minimise related financial impacts.
- The Group's business units set annual Key Performance Indices ("KPI") for improvement and performance evaluation purpose. KPIs are reviewed regularly at subsidiary levels in Departmental Head KPI meetings.
- Internal audits are carried out to ensure compliance with KPIs, and audit findings are presented to the Senior Management for review. Corrective actions are carried out to ensure KPIs are achieved.

CONTROL ACTIVITIES (CONT'D)

The control activities carried out by the Group include the following: (Cont'd)

- Annual operating and financial budgets are prepared by the Group's business and operating units and are approved by the Managing Directors and submitted to the Board. The review of budget against actual performance are performed on monthly and quarterly basis and are presented to the Senior Management and certain directors. In the process, significant variances are investigated, and necessary remedial actions taken to minimise variances in future. Group sales and financial budget is presented to and reviewed by EXCO. Sales performance review is done in EXCO meetings.
- The Group's Safety and Health Committee held regular meetings to discuss about related issues and to ensure that the Group's safety and health policies are carried out in compliance with the law and regulations to ensure employee and workplace safety.
- The Group's Sales and Finance teams met fortnightly and monthly to discuss customer collections, ageing and other credit control matters.

INFORMATION AND COMMUNICATIONS

- Monthly and quarterly management reports and other relevant financial information containing key financial results, ratio analysis and operational performance indicators are submitted to the Senior Management and the Board for review on a timely basis.
- The Group has an Enterprise Resource Planning ("ERP") system that can capture, compile and analyse data to produce relevant reports for management decision making purposes.
- The Whistleblower policy is established to provide secured communication channel which facilitate whistleblowing in a transparent and confidential manner. The policy sets out mechanism in which genuine whistleblowers will be able to raise concerns about suspected or actual improprieties in matters of financial reporting, violation or non-compliance with the law and regulations and the Group's policy and ethical standards in carrying out its business.
- The Group's Anti-Corruption & Bribery Policy is clearly communicated to all stakeholders in particularly the employees to send a clear message that no such practices are tolerable within the Group.
- The Group utilises BI Tools and Data Analytics to report up-to-date sales information to directors and Senior Management to provide insight and to facilitate a prompt and accurate business decision process.

MONITORING

Board meetings are held at least on a quarterly basis where the Board is kept up-to-date on significant changes in the business and the external environment in which the Group operates and to review the performance of the Group.

EXCO meetings are held in appropriate intervals, i.e. six times in the current year under review to strategise and monitor on matters relating to the relevant areas under their scope.

The Group's management team comprising executive directors and departmental heads carries out periodic meetings with agendas on matters for discussion and communicates regularly to monitor operational and financial performance as well as to formulate action plans to address areas of concern.

The independent Internal Audit Team reports to the Audit Committee on the findings of the audit, including risk and control matters of significance that could adversely affect the Group's financial position or reputation. The internal audit function will provide the Board with an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system in anticipating potential risk exposures over key business processes and in controlling the proper conduct of business within the Group.

REVIEW OF EFFECTIVENESS

The Board remains committed towards improving the system of internal control and risk management process to meet its corporate objectives and to support all types of businesses and operations within the Group. The Board is of the opinion that the Group's present system of internal controls is sound and sufficient to safeguard the Group's interest and its business operations. It is also satisfied that the risks taken are at an acceptable level within the control of the business environment of the Group.

MAIN RISK AREAS

COVID-19 risks

Managing risks associated with COVID-19 pandemic have been the core focus for the Group since March 2020 with the aim of mitigating the impact brought upon by the pandemic and the related movement control orders implemented by the Government.

- The Group ensures that Government SOPs are complied with while new policies and procedures are put in place to ensure the safety and well-being of its employees and stakeholders/visitors such as sharing of COVID-19 related information to raise awareness, provision of personal protective equipment, temperature check, enhanced visitor's registration system, and practicing of physical distancing at workplace.
- The Group has also implemented Work-From-Home policy to allow staff to work from home.
- The Group works closely with its supply chain stakeholders so that its core manufacturing and distribution of bottled water business activities are conducted with minimal disruption during various movement control order periods.
- New communication channels via social media platform and virtual meeting applications are utilised to ensure latest information and Group directions are communicated promptly and effectively for action without face-to-face contact.
- More resources are allocated to promote and expand online sales.

The other main risk areas identified and managed by the Group on an on-going basis are as follows:

(a) Business / Operations risks

- The Group is constantly searching for new water sources as well as engaging with local water board in its efforts to ensure there is continuous flow of water supply to cater for demand and production needs.
- The Group has taken actions to identify and manage the threat and opportunities of the digital era and the Industry 4.0 revolution. Areas that are being explored include smart factory transformation, digitalisation of transactions, big data analysis and recruitment of new talent with specialised skills.
- It is the Group's policy to invest in modernisation and automation of production facilities and machinery to increase productivity, overcome labour shortages and keep operational costs at manageable levels.
- To manage risk of lack of talent, the Group has in place attractive remuneration packages and implemented HR policies which focus on attracting and retaining talents within the Group.
- Operations teams hold discussions via emails and social media platforms and regular meetings and video conferences are held to discuss and manage existing risks and identifying new risks affecting the business operations of the Group.
- New risks which are identified will be escalated to operations heads and general managers via electronic communications, minutes of meetings and written reports.
- RAP will be prepared on significant risks identified and the RAPs will be submitted to the Risk Management Representative for further action.

(b) Financial risks

The key financial risks facing the Group are credit risk, and liquidity and cash flow risks.

The COVID-19 pandemic has significantly impacted many businesses especially small and medium size enterprises ("SME") and companies in F&B, tourism, entertainment, and airlines industries, all of which the Group has been conducting its business. The Group has implemented enhanced credit control policies and procedures which include tightening of credit term and credit period extended to new and existing customers as well as more vigorous monitoring of customer ageing and payment trend.

The Group has employed a more conservative cash flow management approach to ensure it has sufficient cash flow to operate smoothly throughout these challenging times.

Credit risk

- Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss which affects negatively the profitability and cash flows of the Group. The exposure of the Group to credit risk arises principally from its trade receivables.
- The Group has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from customer defaults.

MAIN RISK AREAS (CONT'D)

COVID-19 risks (Cont'd)

(b) Financial risks (Cont'd)

Credit risk (Cont'd)

- The Group has in place an account opening verification and credit application process to ensure credit worthiness of potential new customers are properly evaluated before acceptance. Cash term or secured payment terms such as with financial guarantee and letter of credit will always be demanded for new customer accounts, with credit limit, where applicable.
- The Group has ageing reports for collection and monitoring purpose. Prompt action, which included orders and delivery suspension will be taken against long overdue accounts.
- The Group's other investments are in highly liquid, money market funds where the risk is limited because the counter parties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity and cash flow risks

- The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.
- The Group's principal source of liquidity has historically been cash flows from operations and funds obtained from long and short-term borrowings.
  - The Group expects that the cash generated from its operations, its existing credit facilities and the trade terms provided by its suppliers will be sufficient to meet the Group's currently anticipated capital expenditure and working capital needs for at least the next 12 months.

(c) Cyber security risks

The Group recognises the importance of managing cyber security risks which has become more present as the Group has gone more digital and with the increased reliance on ICT equipment, IT applications and tools as well as social media platforms in day-to-day operations and communication. There is an urgent need to mitigate any potential cyber threats and data breach to ensure data, including personal data and other sensitive information of the Group are protected.

- The Group has installed antivirus end point protection on all computers and servers.
- Firewall gateway protection is in place for internet connection and having a secured WIFI network.
- Routine back up of data and local disaster recovery ("DR") solution.
- Patching of Windows Operating System from time to time.
- The Group utilises Windows account login and has a password policy. Passwords set must be strong and regular change in password is required.
- Control the physical security of premises and limit access to server rooms and other critical ICT equipment.
- Employee access to critical data and sensitive information is controlled.
- Effort is spent to raise awareness and educate employees about cyber security principles and the potential threats.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the External Auditors, Deloitte PLT, have reviewed this Statement, in accordance with the Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the financial year ended December 31, 2021. Deloitte PLT had reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

CONCLUSION

The Board has received assurance from the Group Chief Executive Officer and Group Financial Controller that the Group's risk management and internal control system have operated adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control processes in safeguarding the shareholders' investment as well as other stakeholders' interests.

There were no material or significant losses incurred during the financial year as a result of deficiencies in internal control that would require separate disclosure in this Annual Report.

This Statement has been approved by the Board on April 8, 2022.

DIRECTORS' RESPONSIBILITY STATEMENT

In Respect of the Audited Financial Statements for the Financial Year Ended December 31, 2021

The Directors are responsible for the preparation, integrity and fair representation of the financial statements of Spritzer Bhd Group. As required by the Companies Act 2016 ("Act") in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements for the financial year ended December 31, 2021 have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia.

In preparing the financial statements, the Directors have:-

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- applied the going concern basis.

The Directors are satisfied that the information contained in the financial statements give a true and fair view of the financial position of the Group and of the Company as of December 31, 2021 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

The Directors are responsible to ensure that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling the Directors to ensure that the financial statements are drawn up in accordance with the requirements of the Act.

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

Directors' Report and Financial Statements

DIRECTORS' REPORT

The directors of **SPRITZER BHD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2021.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The subsidiaries are principally involved in the production of natural mineral water, carbonated flavoured water, distilled water, drinking water and non-carbonated flavoured water, manufacturing and selling of PET preforms, PET bottles, caps, toothbrushes and other plastic products, distribution of bottled water and other consumer products, operator of a mini golf course and recreational park and investment holding. The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 17 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit for the year attributable to owners of the Company	24,239	9,455

In the opinion of the directors, the results of 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.

DIVIDENDS

Since the end of the previous financial year, the amounts of dividends paid or proposed by the Company are in respect of the following:

A first and final dividend of 4.5 sen per share, under the single-tier system, amounting to RM9,448,592, proposed in the previous financial year and dealt with in the previous directors' report was paid on June 18, 2021.

The directors have proposed a first and final dividend of 4.5 sen per share, under the single-tier system, in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Upon approval by the shareholders, the dividend will be accounted for in equity as an appropriation of retained earnings during the financial year ending December 31, 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

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

Treasury Shares

There was no repurchase of its own shares from the open market by the Company during the financial year. As of December 31, 2021, the Company held a total of 24,000 shares as treasury shares at a carrying amount of RM13,832. Further relevant details are disclosed in Note 26(b) to the financial statements.

ISSUE OF SHARES AND DEBENTURES (CONT'D)

Share Options

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Employees' Share Grant Plan

Under the Company's Employees' Share Grant Plan ("SGP") which was implemented on September 30, 2019, of up to 5% of the Company's issued shares capital (excluding treasury shares) to eligible employees and Executive Directors of the Company and its subsidiaries. The SGP shares allotment is subject to the SGP grantee satisfying the performance and service conditions.

The salient features of the SGP are as disclosed in Note 34 to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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; or

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made other than those disclosed in Note 39 to the financial statements.

DIRECTORS' REPORT

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP
Y Bhg Dato' Lim Kok Boon, DPMP
Mr Lim Seng Lee
Mr Lam Sang
Mr Chok Hooa @ Chok Yin Fatt, PMP
Y Bhg Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP
YB Dato' Mohd Adhan bin Kechik, DJMK, SMK
Mr Tan Chow Yin
Ms Loh Chooi Ngan (appointed on January 21, 2022)
YH Dato' Sri Kuan Khian Leng, SSAP (resigned on January 21, 2022)

The directors who hold office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Name of Directors	Subsidiaries
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	AG, CS, CSC, GPI, PM, SEP
Y Bhg Dato' Lim Kok Boon, DPMP	AG, CS, CSC, PM, SD, SEP, SPR HK, SPR GZ
Mr Lim Seng Lee	SD, SEP, SPR HK, SPR GZ
Dr Chuah Chaw Teo	AG, CS, GPI, PM, SEP
Mr Lam Sang	GPI, PM
Y Bhg Datin Chua Shok Tim @ Chua Siok Hoon	CS, CSC
Mr Lim Ee Young	SPR GZ
Mr Tang Ha Huat	GPI

Denotes:

AG	Angenet Sdn Bhd
CS	Chuan Sin Sdn Bhd
CSC	Chuan Sin Cactus Sdn Bhd
GPI	Golden PET Industries Sdn Bhd
PM	PET Master Sdn Bhd
SD	Spritzer Development Sdn Bhd (Incorporated on January 6, 2021)
SEP	Spritzer EcoPark Sdn Bhd
SPR GZ	Spritzer (Guangzhou) Trading Limited
SPR HK	Spritzer (Hong Kong) Limited

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016, are as follows:

	Number of ordinary shares			
	Balance as of 1.1.2021	**Bought**	**Sold**	**Balance as of 31.12.2021**
Shares in the Company				
Registered in the name of directors				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	10,024,607	79,600	-	10,104,207
Y Bhg Dato' Lim Kok Boon, DPMP	7,000,000	-	-	7,000,000
Mr Lim Seng Lee	1,375,566	-	-	1,375,566
Mr Lam Sang	1,108,082	-	-	1,108,082
Mr Chok Hooa @ Chok Yin Fatt, PMP	165,500	10,000	-	175,500
Y Bhg Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP	1,835,000	-	-	1,835,000
YB Dato' Mohd Adhan bin Kechik, DJMK, SMK	2,123,965	-	-	2,123,965
Deemed interests by virtue of shares held by companies in which the directors have interests				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	90,257,794	1,806,800	-	92,064,594
Y Bhg Dato' Lim Kok Boon, DPMP	3,407,000	-	-	3,407,000
Mr Lim Seng Lee	3,407,000	-	-	3,407,000
YH Dato' Sri Kuan Khian Leng, SSAP	4,680,000	-	-	4,680,000
Deemed interests by virtue of shares held by immediate family members of the directors				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	2,645,597	-	-	2,645,597
Y Bhg Dato' Lim Kok Boon, DPMP	1,608,899	-	-	1,608,899
Mr Lim Seng Lee	244,000	-	-	244,000

DIRECTORS' INTERESTS (CONT'D)

	Number of share grants			
	Balance as of 1.1.2021	**Granted**	**Vested**	**Balance as of 31.12.2021**
Share grants in the Company				
Registered in the name of directors				
Y Bhg Dato' Lim Kok Boon, DPMP	1,049,000	-	-	1,049,000
Mr Lim Seng Lee	1,049,000	-	-	1,049,000
Mr Lam Sang	839,000	-	-	839,000

By virtue of Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP's interests in the shares of the Company, he is also deemed to have an interest in the shares of all the subsidiaries to the extent that the Company has interests.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain directors of the Company are also directors and/or shareholders as disclosed in Note 23 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The Company maintains directors' liability insurance for purpose of Section 289 of the Companies Act 2016 throughout the financial year, which provides appropriate insurance cover for the directors and/or officers of the Group and of the Company. The amount of insurance premium paid during the financial year is as follows:

	The Group RM'000	**The Company RM'000**
Insurance premium paid	6	2

There was no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act 2016.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial year ended December 31, 2021 is as disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 38 to the financial statements.

SUBSEQUENT EVENT

Significant event subsequent to the end of the financial year is disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the Directors,

Y BHG DATO' LIM KOK BOON, DPMP
Managing Director

MR LIM SENG LEE
Executive Director

Ipoh,
April 8, 2022

INDEPENDENT AUDITORS' REPORT

To The Members of Spritzer Bhd
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SPRITZER BHD**, which comprise the statements of financial position of the Group and of the Company as of December 31, 2021, and the statements of profit or loss, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 144.

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 of December 31, 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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. 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 Matter

Key audit matter is a matter that, in our professional judgement, is of most significance in our audit of the financial statements of the Group and of the Company for the current year. The matter is addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter	**Our audit performed and responses thereon**
Trade receivables, including other related parties, represent 30% of the Group's current assets and management exercises significant judgements regarding the collectability of aged or impaired receivables and the determination of the loss allowance under 12-month or lifetime expected credit losses. Refer to Note 22 to the financial statements for further information on trade receivables. The recognition and measurement of impairment of trade receivables, critical judgements involved and key sources of estimation uncertainty are disclosed in Notes 3 and 4 to the financial statements.	We have: • tested the relevant controls surrounding management's assessment and recognition of impairment losses of receivables. • reviewed management's written policies and procedures to estimate the expected credit losses allowance and observed that approval is granted by the appropriate level of management. • evaluated the reasonableness of the methods and assumptions used by management to estimate the allowance and re-computed the estimate based on expected losses model. • assessed and evaluated the adequacy of allowance for doubtful debts on long outstanding debtors and those who exceeded credit period or limit. • evaluated management's assessment to support the collectability of receivables.

We have determined that there is no key audit matter to be communicated in our current year's report on the 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 Directors' Report and 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 Malaysian Financial Reporting Standards, International Financial Reporting 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 Group's and the Company's ability 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- 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.

- 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'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 Group's or the Company's ability 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.

- 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.

- 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 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 17 to the financial statements.

Other Matters

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

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

LIM KENG PEO
Partner - 02939/01/2024 J
Chartered Accountant

Ipoh,
April 8, 2022

STATEMENTS OF PROFIT OR LOSS

For the year ended December 31, 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	5	**331,026**	308,450	**7,366**	6,716
Other gains and losses	7	**1,973**	(1,196)	**3,036**	4,041
Changes in inventories of finished goods, trading merchandise and work-in-progress		**1,027**	(400)	**-**	-
Purchase of finished goods and trading merchandise		**(3,562)**	(2,927)	**-**	-
Raw materials consumed		**(127,753)**	(105,289)	**-**	-
Employee benefit expenses	7	**(58,948)**	(51,918)	**(284)**	(287)
Depreciation and amortisation	8	**(19,385)**	(18,716)	**-**	-
Finance costs	11	**(526)**	(555)	**(79)**	(73)
Other expenses	7	**(93,507)**	(92,805)	**(194)**	(185)
Profit before tax		**30,345**	34,644	**9,845**	10,212
Tax (expense)/income	12	**(6,106)**	1,016	**(390)**	(603)
Profit for the year attributable to owners of the Company		**24,239**	35,660	**9,455**	9,609
Earnings per share					
Basic (sen)	13	**11.54**	16.98		
Diluted (sen)	13	**11.21**	16.64		

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2021

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit for the year	**24,239**	35,660	**9,455**	9,609
Other comprehensive income				
Items that may be reclassified subsequently to the statements of profit or loss:				
Exchange differences on translating foreign entities	**(246)**	(145)	**-**	-
Total comprehensive income for the year attributable to owners of the Company	**23,993**	35,515	**9,455**	9,609

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

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2021

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	**315,723**	319,337	**-**	-
Right-of-use assets	15	**692**	542	**-**	-
Investment properties	16	**5,340**	5,340	**-**	-
Investments in subsidiaries	17	**-**	-	**109,371**	105,148
Other investments	18	**1,000**	-	**-**	-
Goodwill on consolidation	19	**40**	40	**-**	-
Other intangible asset	20	**232**	66	**-**	-
Total non-current assets		**323,027**	325,325	**109,371**	105,148
Current assets					
Other investments	18	**85,808**	81,936	**78,763**	81,936
Inventories	21	**35,319**	29,486	**-**	-
Trade and other receivables	22	**71,748**	48,955	**55,498**	51,921
Current tax assets	12	**6,717**	4,070	**34**	-
Other assets	24	**13,576**	3,562	**20**	3
Fixed deposits, cash and bank balances	25	**21,752**	23,215	**75**	627
Total current assets		**234,920**	191,224	**134,390**	134,487
Total assets		**557,947**	516,549	**243,761**	239,635
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	26(a)	**216,571**	216,571	**216,571**	216,571
Treasury shares	26(b)	**(14)**	(14)	**(14)**	(14)
Reserves	27	**246,193**	227,446	**26,926**	22,717
Total equity		**462,750**	444,003	**243,483**	239,274
Non-current liabilities					
Lease liabilities	28	**300**	309	**-**	-
Borrowings	29	**-**	24	**-**	-
Deferred tax liabilities	30	**20,770**	17,397	**-**	-
Total non-current liabilities		**21,070**	17,730	**-**	-
Current liabilities					
Trade and other payables	31	**40,812**	27,755	**7**	5
Lease liabilities	28	**366**	225	**-**	-
Borrowings	29	**5,489**	4,368	**-**	-
Current tax liabilities	12	**165**	554	**-**	80
Other liabilities	32	**27,295**	21,914	**271**	276
Total current liabilities		**74,127**	54,816	**278**	361
Total liabilities		**95,197**	72,546	**278**	361
Total equity and liabilities		**557,947**	516,549	**243,761**	239,635

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

STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2021

The Group	Note	Share Capital RM'000	Treasury Shares RM'000	Non-distributable Reserves: Equity-Settled Employee Benefits Reserve RM'000	Non-distributable Reserves: Translation Reserve RM'000	Distributable Reserve - Retained Earnings RM'000	Total Equity RM'000
Balance as of January 1, 2020		216,571	(14)	2,158	(4)	196,569	415,280
Profit for the year		-	-	-	-	35,660	35,660
Other comprehensive income for the year		-	-	-	(145)	-	(145)
Total comprehensive income for the year		-	-	-	(145)	35,660	35,515
Recognition of share-based payments		-	-	2,657	-	-	2,657
Payment of dividend	33	-	-	-	-	(9,449)	(9,449)
Balance as of December 31, 2020		216,571	(14)	4,815	(149)	222,780	444,003
Profit for the year		-	-	-	-	24,239	24,239
Other comprehensive income for the year		-	-	-	(246)	-	(246)
Total comprehensive income for the year		-	-	-	(246)	24,239	23,993
Recognition of share-based payments		-	-	4,203	-	-	4,203
Payment of dividend	33	-	-	-	-	(9,449)	(9,449)
Balance as of December 31, 2021		**216,571**	**(14)**	**9,018**	**(395)**	**237,570**	**462,750**

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

The Company	Note	Share Capital RM'000	Treasury Shares RM'000	Non-distributable Reserve - Equity-Settled Employee Benefits Reserve RM'000	Distributable Reserve - Retained Earnings RM'000	Total Equity RM'000
Balance as of January 1, 2020		216,571	(14)	2,158	17,742	236,457
Profit and total comprehensive income for the year		-	-	-	9,609	9,609
Recognition of share-based payments		-	-	2,657	-	2,657
Payment of dividend	33	-	-	-	(9,449)	(9,449)
Balance as of December 31, 2020		216,571	(14)	4,815	17,902	239,274
Profit and total comprehensive income for the year		-	-	-	9,455	9,455
Recognition of share-based payments		-	-	4,203	-	4,203
Payment of dividend	33	-	-	-	(9,449)	(9,449)
Balance as of December 31, 2021		**216,571**	**(14)**	**9,018**	**17,908**	**243,483**

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

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2021

		The Group	
	Note	2021 RM'000	2020 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		**24,239**	35,660
Adjustments for:			
Depreciation of property, plant and equipment		**19,133**	18,581
Tax expense/(income) recognised in the statement of profit or loss		**6,106**	(1,016)
Equity-settled share-based payments		**4,203**	2,657
Inventories written off		**1,431**	460
Finance costs		**526**	555
Property, plant and equipment written off		**364**	3,204
Depreciation of right-of-use assets		**242**	118
Intangible asset written off		**58**	-
Impairment losses recognised on receivables		**35**	306
Amortisation of intangible asset		**10**	17
Investment revenue		**(1,473)**	(1,391)
Unrealised gain on foreign exchange		**(294)**	(54)
Credit losses (reversed)/allowance		**(242)**	262
Interest income		**(229)**	(275)
Gain on disposal of property, plant and equipment		**(210)**	(6)
Inventories written back		**(7)**	(19)
Reversal of impairment loss on receivables		**(4)**	-
Inventories written down		**-**	300
Receivables written off		**-**	1
		53,888	59,360
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		**(7,257)**	12,319
Trade and other receivables		**(22,343)**	21,328
Other assets		**(844)**	1,120
Increase/(Decrease) in:			
Trade and other payables		**12,368**	(9,900)
Other liabilities		**5,308**	(5,930)
Cash Generated From Operations		**41,120**	78,297
Interest received		**229**	275
Income tax refunded		**36**	-
Income tax paid		**(5,805)**	(7,768)
Net Cash From Operating Activities		**35,580**	70,804

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2021

	Note	The Group 2021 RM'000	The Group 2020 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of other investments		**25,650**	46,150
Proceeds from disposal of property, plant and equipment		**606**	128
Investment revenue		**101**	97
Placement of other investments		**(28,150)**	(72,750)
Purchase of property, plant and equipment	36(a)	**(15,067)**	(25,490)
Deposits paid for purchase of property, plant and equipment		**(9,685)**	(741)
Subscription of shares in other investment		**(1,000)**	-
Purchase of intangible asset		**(234)**	-
Net Cash Used In Investing Activities		**(27,779)**	(52,606)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from revolving credits - net	36(b)	**2,256**	232
Dividend paid		**(9,449)**	(9,449)
Repayment of term loans	36(b)	**(1,159)**	(2,013)
Finance costs paid		**(526)**	(555)
Repayment of lease liabilities	36(b)	**(260)**	(126)
Net Cash Used In Financing Activities		**(9,138)**	(11,911)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(1,337)**	6,287
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**23,192**	17,013
Effect of exchange rate changes on the balance of cash held in foreign currencies		**(126)**	(108)
CASH AND CASH EQUIVALENTS AT END OF YEAR	36(c)	**21,729**	23,192

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

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2021

	Note	The Company 2021 RM'000	2020 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		**9,455**	9,609
Adjustments for:			
Tax expense recognised in the statement of profit or loss		**390**	603
Finance costs		**79**	73
Dividend income		**(7,366)**	(6,716)
Interest income		**(1,708)**	(2,746)
Investment revenue		**(1,327)**	(1,294)
		(477)	(471)
Movements in working capital:			
(Decrease)/Increase in:			
Trade and other receivables		**(3,577)**	30,387
Other assets		**(17)**	(1)
Increase/(Decrease) in:			
Trade and other payables		**2**	(25)
Other liabilities		**(5)**	8
Cash (Used In)/Generated From Operations		**(4,074)**	29,898
Dividend received from subsidiaries		**7,366**	6,716
Interest received		**1,708**	2,605
Income tax paid		**(504)**	(648)
Net Cash From Operating Activities		**4,496**	38,571
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of other investments		**25,650**	46,150
Placement of other investments		**(21,150)**	(72,750)
Subscription of shares in a subsidiary		**(20)**	(1,847)
Net Cash From/(Used In) Investing Activities		**4,480**	(28,447)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividend paid		**(9,449)**	(9,449)
Finance costs paid		**(79)**	(73)
Net Cash Used In Financing Activities		**(9,528)**	(9,522)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(552)**	602
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**627**	25
CASH AND CASH EQUIVALENTS AT END OF YEAR	36(c)	**75**	627

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is principally involved in investment holding.

The subsidiaries are principally involved in the production of natural mineral water, carbonated flavoured water, distilled water, drinking water and non-carbonated flavoured water, manufacturing and selling of PET preforms, PET bottles, caps, toothbrushes and other plastic products, distribution of bottled water and other consumer products, operator of a mini golf course and recreational park and investment holding. The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 17.

The registered office of the Company is located at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at Lot 898, Jalan Reservoir, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on April 8, 2022.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

(a) Adoption of amendments to MFRSs

In the current year, the Group and the Company adopted all of the amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(b) Standards in issue but not yet effective

The Group and the Company have not elected for early adoption of the relevant new and amendments to MFRSs which have been issued but not yet effective until future periods, at the date of authorisation for issue of these financial statements. The directors anticipate that the adoption of these new and amendments to MFRSs when they become effective will have no material impact on the financial statements of the Group and of the Company in the period of initial application:

Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020[2]
Amendments to MFRS 3	Reference to the Conceptual Framework[2]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 16	COVID-19 Related Rent Concessions beyond June 30, 2021[1]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 17	Insurance Contracts[3]
Amendments to MFRS 17	Initial Application of MRFS 17 and MFRS 9 - Comparative Information[3]

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(b) Standards in issue but not yet effective (Cont'd)

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current[3]
Amendments to MFRS 101	Disclosure of Accounting Policies[3]
Amendments to MFRS 108	Definition of Accounting Estimates[3]
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use[2]
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract[2]

[1] Effective for annual periods beginning on or after April 1, 2021, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2022, with earlier application permitted.
[3] Effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.
[4] Effective date deferred to a date to be announced by MASB.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for financial instruments that are measured at fair value at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements of the Group and of the Company is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiaries controlled by the Company. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income is attributed to owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Subsidiaries and Basis of Consolidation (Cont'd)

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in the statement of profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to the statement of profit or loss or transferred to another category of equity as required/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the statement of profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or deferred tax liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 and MFRS 119 respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the statement of profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in the statement of profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests (include joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the statement of profit or loss, where such treatment would be appropriate if that interests were disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Business Combinations (Cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the statement of profit or loss on disposal.

Revenue Recognition

The Group recognises revenue from the following major sources:

- Sale of goods; and
- Income from mini golf operation.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or a service to a customer.

Sale of goods

Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customers' specific location. Following delivery, the customer has full ownership of the goods and bears the risks of loss and damage in relation to the goods. The Group recognises a receivable when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Rebates and volume discounts are given to eligible customers, and are taken up as variable considerations in determining the transaction prices contracted.

Income from mini golf operation

Revenue from mini golf entrance is recognised when tickets are sold.

Revenue from package events service fees is recognised when services are rendered.

Dividend income

Dividend income represents gross dividends from unquoted investments and is recognised when the shareholder's rights to receive payment is established.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue Recognition (Cont'd)

Other income

Rental income is recognised on a straight-line basis over the term of the relevant agreements.

Interest revenue from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Government Grants

The Group does not recognise government grants until there is reasonable assurance that the Group will comply with the conditions attaching to the grants and the grants will be received.

All government grants are recognised as income in the statement of profit or loss on a systematic basis over the period in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Any balance not yet recognised in the statement of profit or loss is treated as deferred income, i.e., a liability in the statement of financial position.

Employee Benefits

Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave is recognised when the absences occur.

Defined contribution plans

The Group makes statutory contributions to approved provident funds and the contributions are charged to the statement of profit or loss as incurred. The approved provident funds are defined contribution plans. Once the contributions have been paid, there are no further payment obligations.

Share-based compensation benefits

The Company operates an equity-settled, share-based compensation plan, where shares grants are issued by the Company to eligible directors and employees of the Group and of the Company. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense with a corresponding entry to reserve over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted at the grant date and the number of shares vested by vesting date, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the estimates of the number of the shares grant that are expected to become exercisable. The share grants by the Company over its equity instruments to the directors and employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or a rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and to remove a leased asset, to restore the site on which it is located or to restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

The right-of-use assets are presented as a separate line in the statements of financial position. Land held under finance lease arrangement and right-of-use assets acquired under hire-purchase arrangement continue to be recognised as part of assets of the Group classified under property, plant and equipment and is not separately presented in the statements of financial position.

The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'other expenses' in the statements of profit or loss.

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Foreign Currencies

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and also the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the statements of profit or loss in the year in which they arise except for exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the translation reserve of the Group. Such exchange differences are reclassified to the statements of profit or loss in the year in which the foreign incorporated subsidiaries are disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get them ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Taxation

Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability of the Group and of the Company for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses, unused tax credits and unutilised reinvestment allowances to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses, unused tax credits and unutilised reinvestment allowances can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Group reviewed the Group's investment properties portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the "sale" presumption set out in the amendments to MFRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair values of investment properties based on the expected tax rate that would apply on disposal of the investment properties.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and current tax liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. When the current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the consolidated profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the consolidated profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of all dilutive potential ordinary shares.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and capital work-in-progress are not amortised/depreciated.

Bearer plants are defined as living plants that are used in the production or supply of agriculture produce and for which there is only a remote likelihood that the plant will also be sold as agriculture produce.

Bearer plants - Durian tree

Bearer plants of the Group consist of immature durian trees and durian nursery. Immature durian trees and durian nursery are carried at cost less any accumulated impairment losses. Cost includes the cost incurred for the preparation of the nursery, procurement of new seeds, maintenance of nurseries for a period of seven years until maturity. On maturity (i.e. when the bearer plants are ready for their intended use), these costs are classified under mature durian trees. Depreciation of mature durian trees commence when they are ready for their intended use. Estimated useful lives of the mature durian trees has been determined to be 30 years.

Capital work-in-progress comprises buildings under construction and plant, machinery and equipment under installation. Depreciation on assets under work-in-progress commences when the assets are ready for their intended use.

Leasehold land are amortised over the lease periods ranging from 77 to 82 years. Depreciation of other property, plant and equipment is computed on the reducing balance method to write off the cost of the various property, plant and equipment over their estimated useful lives at the following annual rates:

Buildings and factory extension	2% to 5%
Staff quarters	2% to 10%
Plant and machinery	5% to 10%
Motor vehicles	20%
Furniture, fixtures and equipment	5% to 20%
Electrical installation	10%
Water dispensers	10%

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets. However, where there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Assets acquired under hire-purchase arrangements which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire-purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum hire-purchase payments of the assets at the inception of the respective arrangements.

Finance costs, which represent the differences between the total hire-purchase commitments and the fair values of the assets acquired, are charged to the statement of profit or loss over the term of the relevant hire-purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the period in which they arise.

Investment properties are derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the period in which the property is derecognised.

Intangible Assets Acquired Separately

Intangible assets with finite useful life that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the intangible assets. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible asset represents software development cost and is amortised over a period of 5 years.

Internally-generated Intangible Assets - Research and Development Expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit or loss in the period in which it is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Internally-generated Intangible Assets - Research and Development Expenditure (Cont'd)

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

Investments in Subsidiaries

Investments in subsidiaries are stated in the Company's financial statements at cost less accumulated impairment losses, if any.

Impairment of Property, Plant and Equipment and Intangible Assets excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of property, plant and equipment, investments in subsidiaries and intangible assets to determine whether there is any indication that these assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined principally on the "First-in, First-out" method. Cost of raw materials, trading merchandise, packing materials, spare parts and goods-in-transit comprise the original purchase price plus cost incurred in bringing the inventories to their existing location and condition. Cost of finished goods and work-in-progress comprise the cost of direct and packing materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initially recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

By default, all other financial assets are measured subsequently at FVTPL.

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial assets (Cont'd)

Classification of financial assets (Cont'd)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in the statement of profit or loss using the effective interest method for debt instruments measured subsequently at amortised cost or at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group and the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and Company manage together and have evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not to be reclassified to the statement of profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or at FVTOCI are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the Group and the Company designate an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial assets (Cont'd)

Classification of financial assets (Cont'd)

(iii) Financial assets at FVTPL (Cont'd)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the statement of profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the statement of profit or loss includes any dividend or interest earned on the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in the statement of profit or loss.

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables, as well as on financial guarantee contracts. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognise lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's and the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's and the Company's core operations.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 120 days past due, unless the Group and Company have reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group and the Company assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group and the Company consider a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Group and the Company become a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group and the Company consider the changes in the risk that the specified debtor will default on the contract.

The Group and the Company regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full (without taking into account any collateral held by the Group and by the Company).

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(ii) Definition of default (Cont'd)

Irrespective of the above analysis, the Group and the Company consider that default has occurred when a financial asset is more than 180 days past due unless the Group and the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the end of the reporting period, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's and the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group and the Company are required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the end of the current reporting period that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the end of the current reporting period, except for assets for which simplified approach was used.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(v) <u>Measurement and recognition of ECL</u> (Cont'd)

The Group and the Company recognise a reversal of impairment loss or an impairment loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to the statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statement of profit or loss but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group and by the Company, are measured in accordance with the specific accounting policies set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial liabilities and equity (Cont'd)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and MFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the statement of profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line in the statement of profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the statement of profit or loss. The remaining amount of change in the fair value of liability is recognised in the statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to the statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in the statement of profit or loss.

Fair value is determined in the manner described in Note 3.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in abusiness combination, (ii) held for trading or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial liabilities and equity (Cont'd)

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with MFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the statement of profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

When the Group and the Company exchange with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group and the Company account for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (i) the carrying amount of the liability before the modification; and (ii) the present value of the cash flows after modification should be recognised in the statement of profit or loss as the modification gain or loss within other gains and losses.

Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Segment Reporting

For management purposes, the Group is organised into operating segments that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Group's other components. The Group's reporting segments were identified based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group's reportable segments are strategic business operations that are managed separately based on the Group's management and internal reporting structure.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies of the Group and of the Company which are described in Note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement made in applying the Group's and the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying accounting policies of the Group and of the Company and that have the most significant effect on the amounts recognised in financial statements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Critical judgement made in applying the Group's and the Company's accounting policies (Cont'd)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (refer to financial assets section of Note 3). The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group and the Company monitor financial assets measured at amortised cost or at FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's and of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are not being held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax on investment properties, the directors have determined that the presumption that the carrying amounts of the investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has recognised deferred tax liabilities on changes in fair values of investment properties based on the expected rate that would apply on disposal of the investment properties.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancement.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of trade receivables, net of loss allowance, are disclosed in Note 22.

(b) Income taxes

The Group is subject to income taxes of numerous jurisdictions. Judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made. The carrying amounts of current tax assets/liabilities and the related tax expense and deferred tax liabilities are disclosed in Notes 12 and 30 respectively.

5. REVENUE

The Group derives its revenue from contracts with customers from transfer of goods and services at a point in time, which represents a promise to transfer to the customer a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer.

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Sale of goods	**330,675**	308,088	**-**	-
Income from mini golf operation*	**351**	362	**-**	-
Dividend income from subsidiaries	**-**	-	**7,366**	6,716
	331,026	308,450	**7,366**	6,716

* Income from mini golf operation consists of mini golf entrance fee, packaged events service fee, sale of trading merchandise, income from rental of cafeteria and other related services fee.

6. SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The chief operating decision maker and senior management of the Group reviews the operating segment results regularly to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Group has three reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately as they require different technology and marketing strategies. The chief operating decision maker and senior management review the management reports of each of the strategic units on a monthly basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Goodwill is allocated to reportable segment as described in Note 19. Unallocated items mainly comprise corporate assets and liabilities, such as tax assets/liabilities and deferred tax assets/liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

Segments comprise:

Segment	**Products and services**
Manufacturing	Natural mineral water, carbonated flavoured water, distilled water, drinking water, non-carbonated flavoured water, PET preforms, PET bottles, caps, toothbrushes and other plastic products
Trading	Bottled water and other consumer products
Others	Mini golf course and recreational park, investment and properties holding and dormant

For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment considering the following factors:

- the production of the products is similar; and

- the methods used to distribute the products to the customers are the same.

6. SEGMENT REPORTING (CONT'D)

The Group 2021	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	312,209	18,466	351	-	331,026
Inter-segment sales	91,138	17	7,560	(98,715)	-
Total revenue	403,347	18,483	7,911	(98,715)	331,026
Results					
Segment results	31,819	(1,982)	8,633	(9,072)	29,398
Finance costs					(526)
Investment revenue					1,473
Profit before tax					30,345
Tax expense					(6,106)
Profit for the year					24,239
Other information					
Capital additions	16,477	48	26	(275)	16,276
Government grant received - wage subsidies	605	51	20	-	676
Unrealised gain on foreign exchange	293	-	1	-	294
Credit losses reversed	229	13	-	-	242
Interest income	185	42	1,708	(1,706)	229
Gain on disposal of property, plant and equipment	210	-	-	-	210
Inventories written back	7	-	-	-	7
Reversal of impairment loss on receivables	4	-	-	-	4
Depreciation of property, plant and equipment	(19,028)	(67)	(38)	-	(19,133)
Equity-settled share-based payments	(3,849)	(354)	-	-	(4,203)
Inventories written off	(1,380)	(49)	(2)	-	(1,431)
Property, plant and equipment written off	(359)	(5)	-	-	(364)
Realised loss on foreign exchange	(341)	-	-	-	(341)
Depreciation of right-of-use assets	(242)	-	-	-	(242)
Impairment losses recognised on receivables	(31)	(4)	-	-	(35)
Amortisation of intangible asset	(10)	-	-	-	(10)
Assets					
Segment assets	487,519	8,971	276,509	(221,769)	551,230
Unallocated segment assets					6,717
Consolidated Total Assets					557,947
Liabilities					
Segment liabilities	145,769	12,386	1,133	(85,026)	74,262
Unallocated segment liabilities					20,935
Consolidated Total Liabilities					95,197

6. SEGMENT REPORTING (CONT'D)

The Group 2020	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	292,042	16,046	362	-	308,450
Inter-segment sales	76,356	20	6,887	(83,263)	-
Total revenue	368,398	16,066	7,249	(83,263)	308,450
Results					
Segment results	36,142	(1,738)	9,003	(9,599)	33,808
Finance costs					(555)
Investment revenue					1,391
Profit before tax					34,644
Tax income					1,016
Profit for the year					35,660
Other information					
Capital additions	37,924	9	4	(116)	37,821
Government grant received - wage subsidies	680	100	20	-	800
Interest income	221	50	2,746	(2,742)	275
Unrealised gain on foreign exchange	52	-	2	-	54
Realised gain on foreign exchange	31	-	-	-	31
Inventories written back	19	-	-	-	19
Gain on disposal of property, plant and equipment	6	-	-	-	6
Depreciation of property, plant and equipment	(18,447)	(92)	(42)	-	(18,581)
Property, plant and equipment written off	(3,203)	(1)	-	-	(3,204)
Equity-settled share-based payments	(2,372)	(285)	-	-	(2,657)
Inventories written off	(289)	(171)	-	-	(460)
Impairment losses recognised on receivables	(291)	(15)	-	-	(306)
Inventories written down	(300)	-	-	-	(300)
Credit losses allowance	(252)	(10)	-	-	(262)
Depreciation of right-of-use assets	(118)	-	-	-	(118)
Amortisation of intangible asset	(17)	-	-	-	(17)
Receivables written off	(1)	-	-	-	(1)
Assets					
Segment assets	438,756	6,656	272,349	(205,282)	512,479
Unallocated segment assets					4,070
Consolidated Total Assets					516,549
Liabilities					
Segment liabilities	118,871	7,384	1,103	(72,763)	54,595
Unallocated segment liabilities					17,951
Consolidated Total Liabilities					72,546

6. SEGMENT REPORTING (CONT'D)

Geographical segments

Information on the Group's operations and analysis of the carrying amounts of segment assets and capital additions by geographical segment has not been provided as the segment assets and capital additions of the Group located outside Malaysia is less than 10% of its total segment assets and capital additions respectively.

The Group's analysis of the segment revenue from external customers by geographical area based on the geographical location of its customers has not been provided as the export sales of the Group is less than 10% of its total revenue.

7. OTHER GAINS AND LOSSES, OTHER EXPENSES AND EMPLOYEE BENEFIT EXPENSES

Included in other gains and losses and other expenses are the following:

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Investment revenue	9	**1,473**	1,391	**1,327**	1,294
Government grant received - wage subsidies		**676**	800	**-**	-
Rental income:					
- Premises		**304**	274	**-**	-
Gain/(Loss) on foreign exchange:					
- Unrealised		**294**	54	**-**	-
- Realised		**(341)**	31	**-**	-
Credit losses reversed/(allowance)	22	**242**	(262)	**-**	-
Interest income on financial assets classified as at amortised cost		**229**	275	**1,708**	2,746
Gain on disposal of property, plant and equipment		**210**	6	**-**	-
Inventories written back	21	**7**	19	**-**	-
Reversal of impairment loss on receivables	22	**4**	-	**-**	-
Expenses relating to short-term/ low value assets:					
Rental expense:					
- Plant and equipment		**(2,043)**	(1,648)	**-**	-
- Premises		**(456)**	(223)	**-**	-
Inventories written off	21	**(1,431)**	(460)	**-**	-
Property, plant and equipment written off		**(364)**	(3,204)	**-**	-
Auditors' remuneration:					
Statutory audit		**(217)**	(220)	**(47)**	(45)
Others		**(1)**	(1)	**-**	-
Intangible asset written off		**(58)**	-	**-**	-
Impairment losses recognised on receivables	22	**(35)**	(306)	**-**	-
Inventories written down	21	**-**	(300)	**-**	-
Receivables written off		**-**	(1)	**-**	-

7. OTHER GAINS AND LOSSES, OTHER EXPENSES AND EMPLOYEE BENEFIT EXPENSES (CONT'D)

Included in employee benefit expenses are the following:

	Note	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Directors' remuneration	10	**8,870**	7,539	**284**	287
Contributions to Employees' Provident Fund		**3,379**	3,452	**-**	-
Equity-settled share-based payments		**2,740**	1,798	**-**	-
Rental of hostels		**99**	49	**-**	-

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company which includes Executive Directors of the Company and certain members of senior management of the Company.

The remuneration of directors are disclosed in Note 10. The remuneration of other members of key management personnel of the Group during the financial year are as follows:

	The Group 2021 RM'000	The Group 2020 RM'000
Short-term employee benefits	**4,675**	4,304
Equity-settled share-based payments	**1,366**	813
Post-employment benefits - contributions to EPF	**510**	581
	6,551	5,698

The estimated monetary value of benefits-in-kind received and receivable by other members of key management personnel otherwise than in cash from the Group amounted to RM103,169 (2020: RM131,826).

8. DEPRECIATION AND AMORTISATION

	The Group 2021 RM'000	The Group 2020 RM'000
Depreciation of property, plant and equipment (Note 14)	**19,133**	18,581
Depreciation of right-of-use assets (Note 15)	**242**	118
Amortisation of intangible asset (Note 20)	**10**	17
	19,385	18,716

9. INVESTMENT REVENUE

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Income from other investments	**1,372**	1,294	**1,327**	1,294
Rental income from investment properties	**101**	97	**-**	-
	1,473	1,391	**1,327**	1,294

The following is an analysis of investment revenue earned by category of assets:

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Investment income earned on:				
Non-derivative financial assets carried at FVTPL	**1,372**	1,294	**1,327**	1,294
Non-financial assets	**101**	97	**-**	-
	1,473	1,391	**1,327**	1,294

10. DIRECTORS' REMUNERATION

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Directors of the Company:				
Fees	**325**	325	**243**	243
Equity-settled share-based payments	**1,325**	777	**-**	-
Other emoluments	**6,422**	5,766	**41**	44
	8,072	6,868	**284**	287
Directors of the subsidiaries:				
Fees	**66**	66	**-**	-
Equity-settled share-based payments	**138**	82	**-**	-
Other emoluments	**594**	523	**-**	-
	798	671	**-**	-
	8,870	7,539	**284**	287

Included in directors' other emoluments are contributions made by the Group to the Employees' Provident Fund of RM588,114 (2020: RM736,294).

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM194,916 (2020: RM168,150).

11. FINANCE COSTS

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Interest on:				
Revolving credits	**184**	163	**-**	-
Term loans	**16**	84	**-**	-
Lease liabilities (Note 15)	**14**	2	**-**	-
Total interest expense for financial liabilities not classified as at FVTPL	**214**	249	**-**	-
Other finance costs	**312**	306	**79**	73
	526	555	**79**	73

12. TAX EXPENSE/(INCOME)

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Malaysian income tax:				
Current year	**4,105**	4,206	**390**	624
Prior year	**(1,372)**	(387)	**-**	(21)
	2,733	3,819	**390**	603
Deferred tax (Note 30):				
Relating to origination and reversal of temporary differences	**3,614**	(4,826)	**-**	-
Relating to crystallisation of deferred tax liability on revaluation surplus	**(17)**	(130)	**-**	-
Prior year	**(224)**	121	**-**	-
	3,373	(4,835)	**-**	-
	6,106	(1,016)	**390**	603

The Group's and the Company's income tax rate remained at 24% (2020: 24%) except for its foreign subsidiaries whose income tax rates range from 16.5% to 25% (2020: 16.5% to 25%).

12. TAX EXPENSE/(INCOME) (CONT'D)

The tax expense/(income) for the year can be reconciled to the accounting profit as follows:

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Profit before tax	**30,345**	34,644	**9,845**	10,212
Tax at the applicable statutory income tax rate of 24% (2020: 24%)	**7,283**	8,314	**2,363**	2,451
Tax effects of:				
Expenses not deductible in determining taxable profit	**1,916**	2,141	**113**	96
Current year unutilised tax losses and unabsorbed capital allowance not recognised as deferred tax assets	**586**	505	**-**	-
Unutilised Reinvestment Allowance ("RA"), Green Investment Tax Allowance ("GITA") and Special RA ("SRA") recognised as deferred tax assets	**(1,169)**	(7,550)	**-**	-
Income not taxable in determining taxable profit	**(779)**	(500)	**(2,086)**	(1,923)
Unabsorbed automation capital allowance ("ACA") not recognised as deferred tax assets in prior year	**(283)**	-	**-**	-
Utilisation of unabsorbed ACA	**283**	-	**-**	-
Expenses allowed for double tax deductions	**(127)**	(126)	**-**	-
Utilisation of deferred tax assets not recognised in prior year	**(8)**	(1,808)	**-**	-
Utilisation of SRA	**-**	(1,726)	**-**	-
Income tax - prior year	**(1,372)**	(387)	**-**	(21)
Deferred tax - prior year	**(224)**	121	**-**	-
Tax expense/(income) recognised in the statement of profit or loss	**6,106**	(1,016)	**390**	603

12. TAX EXPENSE/(INCOME) (CONT'D)

Current tax assets and liabilities

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Current tax assets				
Tax refund receivables	**6,717**	4,070	**34**	-
Current tax liabilities				
Income tax payables	**165**	554	**-**	80

13. EARNINGS PER SHARE

The basic and diluted earnings per ordinary share are calculated as follows:

	The Group	
	2021	**2020**
Profit for the year attributable to owners of the Company (RM'000)	**24,239**	35,660
Number of ordinary shares in issue as of January 1 ('000)	**209,993**	209,993
Shares repurchased and held as treasury shares ('000)	**(24)**	(24)
	209,969	209,969
Weighted average number of ordinary shares issued during the year ('000)	**-**	-
Weighted average number of ordinary shares in issue ('000)	**209,969**	209,969
Basic earnings per ordinary share (sen)	**11.54**	16.98
Weighted average number of shares used in calculation of basic earnings per share ('000)	**209,969**	209,969
Shares deemed to be issued for no consideration in respect of SGP ('000)	**6,174**	4,397
Weighted average number of shares used in the calculation of diluted earnings per share ('000)	**216,143**	214,366
Diluted earnings per ordinary share (sen)	**11.21**	16.64

14. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Factory extension RM'000	Staff quarters RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fixtures and equipment RM'000	Electrical installation RM'000	Water dispensers RM'000	Bearer plants - immature RM'000	Capital work-in-progress RM'000	Total RM'000
Cost													
As of January 1, 2020	54,964	4,809	61,458	5,823	2,412	225,620	19,735	22,197	3,647	21	-	53,906	454,592
Additions	1,010	-	4,022	191	-	10,319	855	2,375	19	-	426	18,604	37,821
Adjustment	-	-	-	-	-	(173)*	-	-	-	-	-	-	(173)
Disposals	-	-	-	-	-	(90)	(338)	(116)	-	-	-	-	(544)
Write offs	-	-	-	-	-	(4,985)	-	(509)	(2)	(1)	-	-	(5,497)
Reclassification	-	-	23,925	480	-	31,075	-	188	-	-	-	(55,668)	-
Translation difference	-	-	-	-	-	-	2	8	-	-	-	-	10
As of December 31, 2020	55,974	4,809	89,405	6,494	2,412	261,766	20,254	24,143	3,664	20	426	16,842	486,209
Additions	**3,528**	**-**	**953**	**27**	**182**	**6,769**	**1,976**	**1,083**	**167**	**-**	**116**	**1,475**	**16,276**
Disposals	**-**	**-**	**-**	**-**	**-**	**(29)**	**(3,463)**	**-**	**-**	**-**	**-**	**-**	**(3,492)**
Write offs	**-**	**-**	**-**	**-**	**-**	**(1,618)**	**(393)**	**(100)**	**-**	**(1)**	**-**	**-**	**(2,112)**
Reclassification	**-**	**-**	**-**	**198**	**-**	**373**	**83**	**30**	**-**	**-**	**10**	**(694)**	**-**
Translation difference	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**13**	**-**	**-**	**-**	**-**	**15**
As of December 31, 2021	**59,502**	**4,809**	**90,358**	**6,719**	**2,594**	**267,261**	**18,459**	**25,169**	**3,831**	**19**	**552**	**17,623**	**496,896**
Accumulated depreciation													
As of January 1, 2020	-	831	10,519	1,327	401	111,088	12,814	12,179	1,826	13	-	-	150,998
Charge for the year	-	58	1,594	238	58	13,441	1,576	1,433	182	1	-	-	18,581
Disposals	-	-	-	-	-	(60)	(317)	(45)	-	-	-	-	(422)
Write offs	-	-	-	-	-	(1,917)	-	(374)	(1)	(1)	-	-	(2,293)
Translation difference	-	-	-	-	-	-	-	8	-	-	-	-	8
As of December 31, 2020	-	889	12,113	1,565	459	122,552	14,073	13,201	2,007	13	-	-	166,872
Charge for the year	**-**	**57**	**1,588**	**246**	**58**	**14,278**	**1,313**	**1,419**	**173**	**1**	**-**	**-**	**19,133**
Disposals	**-**	**-**	**-**	**-**	**-**	**(3)**	**(3,093)**	**-**	**-**	**-**	**-**	**-**	**(3,096)**
Write offs	**-**	**-**	**-**	**-**	**-**	**(1,343)**	**(331)**	**(73)**	**-**	**(1)**	**-**	**-**	**(1,748)**
Reclassification	**-**	**-**	**-**	**-**	**-**	**(43)**	**43**	**-**	**-**	**-**	**-**	**-**	**-**
Translation difference	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**-**	**-**	**-**	**-**	**12**
As of December 31, 2021	**-**	**946**	**13,701**	**1,811**	**517**	**135,441**	**12,005**	**14,559**	**2,180**	**13**	**-**	**-**	**181,173**
Carrying amounts													
As of December 31, 2021	**59,502**	**3,863**	**76,657**	**4,908**	**2,077**	**131,820**	**6,454**	**10,610**	**1,651**	**6**	**552**	**17,623**	**315,723**
As of December 31, 2020	55,974	3,920	77,292	4,929	1,953	139,214	6,181	10,942	1,657	7	426	16,842	319,337

* Discount received from supplier for plant and machinery purchased in prior year.

15. RIGHT-OF-USE ASSETS

The Group	Office equipment 2021 RM'000	2020 RM'000
Cost		
At beginning of year	**660**	-
Additions	**392**	660
At end of year	**1,052**	660
Accumulated depreciation		
At beginning of year	**118**	-
Charge for the year	**242**	118
At end of year	**360**	118
Carrying amount		
At end of year	**692**	542

The average lease term of the right-of-use assets is 3 years. The maturity analysis of lease liabilities is presented in Note 28.

The Group	2021 RM'000	2020 RM'000
Amounts recognised in the statement of profit or loss		
Expenses relating to short-term lease/low value assets	**2,598**	1,871
Depreciation expense on right-of-use assets (Note 8)	**242**	118
Interest expense on lease liabilities (Note 11)	**14**	2

The total cash outflows from leases amounted to RM274,368 (2020: RM128,500).

16. INVESTMENT PROPERTIES

The Group	Freehold land and buildings RM'000	Long-term leasehold land RM'000	Short-term leasehold land RM'000	Buildings RM'000	Renovation RM'000	Total RM'000
At fair value						
As of January 1, 2020	890	2,290	590	1,506	64	5,340
Fair value adjustments	-	-	-	-	-	-
As of December 31, 2020	890	2,290	590	1,506	64	5,340
Fair value adjustments	**-**	**20**	**-**	**(20)**	**-**	**-**
As of December 31, 2021	**890**	**2,310**	**590**	**1,486**	**64**	**5,340**

The fair values of the Group's investment properties as of December 31, 2021 had been arrived at on the basis of a valuation carried out by independent valuers on December 31, 2021 who have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair values of the investment properties were determined based on the market comparable approach that reflects recent transacted prices for similar properties.

Details of the Group's investment properties and information about the fair value hierarchy are as follows:

The Group 2021	Fair values		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Freehold land and buildings	**-**	**890**	**-**
Long-term leasehold land	**-**	**2,310**	**-**
Short-term leasehold land	**-**	**590**	**-**
Buildings	**-**	**1,486**	**-**
Renovation	**-**	**64**	**-**

2020	Fair values		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Freehold land and buildings	-	890	-
Long-term leasehold land	-	2,290	-
Short-term leasehold land	-	590	-
Buildings	-	1,506	-
Renovation	-	64	-

There were no transfers between Level 1 and 2 during the current or prior year.

16. INVESTMENT PROPERTIES (CONT'D)

During the financial year, direct operating expenses incurred relating to the investment properties of the Group are as follows:

The Group	Generate rental income 2021 RM'000	2020 RM'000	Do not generate rental income 2021 RM'000	2020 RM'000
Quit rent and assessments	**12**	12	**13**	13
Repair and maintenance	**-**	-	**2**	2
Electricity and water charges	**-**	-	**2**	3

17. INVESTMENTS IN SUBSIDIARIES

	The Company 2021 RM'000	2020 RM'000
Unquoted shares, at cost:		
At beginning of year	**105,148**	100,644
Deemed investment arising from SGP	**4,203**	2,657
Subscription of shares	**20**	1,847
At end of year	**109,371**	105,148

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of company	Place of incorporation	Proportion of ownership interest and voting power held by the Group 2021 %	2020 %	Principal activities
Direct subsidiaries				
Chuan Sin Sdn Bhd	Malaysia	**100**	100	Production of natural mineral water, carbonated flavoured water, distilled water, drinking water and non-carbonated flavoured water
Golden PET Industries Sdn Bhd	Malaysia	**100**	100	Manufacturing and selling of PET preforms, PET bottles, caps, toothbrushes and other plastic products
Chuan Sin Cactus Sdn Bhd	Malaysia	**100**	100	Distribution of bottled water and other consumer products
PET Master Sdn Bhd	Malaysia	**100**	100	Manufacturing and selling of PET preforms
Angenet Sdn Bhd	Malaysia	**100**	100	Manufacturing and selling of bottled water
Spritzer EcoPark Sdn Bhd	Malaysia	**100**	100	Operator of a mini golf course and recreational park
Spritzer Development Sdn Bhd#	Malaysia	**100**	-	Dormant
Direct subsidiaries				
Spritzer (Hong Kong) Limited*	Hong Kong	**100**	100	Investment holding
Indirect subsidiary held through Spritzer (Hong Kong) Limited				
Spritzer (Guangzhou) Trading Limited*	People's Republic of China	**100**	100	Distribution of bottled water and other consumer products

During the financial year, the Company subscribed for 20,000 new ordinary shares in the share capital of Spritzer Development Sdn Bhd, a wholly-owned subsidiary incorporated on January 6, 2021, for a cash consideration of RM20,000.

* The financial statements of these companies are examined by auditors other than the auditors of the Company.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Composition of the Group

Information about composition of the Group at the end of the reporting period is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries 2021	2020
Production of natural mineral water, carbonated flavoured water, distilled water, drinking water and non-carbonated flavoured water	Malaysia	**2**	2
Manufacturing and selling of PET preforms, PET bottles, caps, toothbrushes and other plastic products	Malaysia	**2**	2
Distribution of bottled water and other consumer products	Malaysia	**1**	1
	People's Republic of China	**1**	1
Investment holding	Hong Kong	**1**	1
Operator of a mini golf course and recreational park	Malaysia	**1**	1
Dormant	Malaysia	**1**	-
		9	8

18. OTHER INVESTMENTS

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Non-Current				
Equity instrument designated as at FVTOCI:				
Unquoted shares, in Malaysia	**1,000**	-	**-**	-

18. OTHER INVESTMENTS (CONT'D)

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Financial assets measured at FVTPL:				
Investments in money market funds, in Malaysia	**85,808**	81,936	**78,763**	81,936

Unquoted equity investment represents interest in a company in Malaysia which is engaged in the business-to-business e-commerce/e-procurement and trading related activities. The investment in equity instrument is not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Group has elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fair value fluctuations from the investment in the statement of profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising their performance potential in the long run.

There are no shares which have been disposed of during the current reporting period.

Details of the other investments and information about the fair value hierarchy as of December 31, 2021 are as follows:

The Group	← Fair value →		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
2021			
Equity instrument designated as at FVTOCI:			
Unquoted shares, in Malaysia	**-**	**1,000**	**-**
Financial assets measured at FVTPL:			
Investments in money market funds, in Malaysia	**85,808**	**-**	**-**
2020			
Equity instrument designated as at FVTOCI:			
Unquoted shares, in Malaysia	-	-	-
Financial assets measured at FVTPL:			
Investments in money market funds, in Malaysia	81,936	-	-

18. OTHER INVESTMENTS (CONT'D)

The Company	← Fair value		→
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
2021			
Financial assets measured at FVTPL:			
Investments in money market funds, in Malaysia	**78,763**	**-**	**-**
2020			
Financial assets measured at FVTPL:			
Investments in money market funds, in Malaysia	81,936	-	-

There were no transfers between Levels 1 and 2 during the current or prior year.

The valuation methodology for these investments is disclosed in Note 35.

19. GOODWILL ON CONSOLIDATION

	The Group	
	2021 RM'000	2020 RM'000
At beginning and end of year	**40**	40

Impairment tests for cash-generating units ("CGU") containing goodwill

Carrying amount of goodwill is allocated to Chuan Sin Cactus Sdn Bhd's trading operations.

The directors did not test the above goodwill for impairment in the current financial year as the operations of Chuan Sin Cactus Sdn Bhd have not deviated materially from that achieved in the previous financial years and any write down in goodwill, if necessary, to its recoverable amount is unlikely to be material to the Group's financial statements.

20. OTHER INTANGIBLE ASSET

	The Group	
	2021 RM'000	**2020 RM'000**
Software development cost		
Cost		
At beginning of year	**133**	133
Additions	**234**	-
Write off	**(133)**	-
At end of year	**234**	133
Accumulated amortisation		
At beginning of year	**67**	50
Amortisation during the year (Note 8)	**10**	17
Write off	**(75)**	-
At end of year	**2**	67
Carrying amount		
At end of year	**232**	66

21. INVENTORIES

	The Group	
	2021 RM'000	**2020 RM'000**
Finished goods and trading merchandise	**11,270**	10,401
Spare parts	**7,621**	7,486
Packing materials	**6,599**	5,308
Raw materials	**6,393**	6,084
Goods-in-transit	**3,093**	22
Work-in-progress	**343**	185
	35,319	29,486

21. INVENTORIES (CONT'D)

	The Group	
	2021 **RM'000**	**2020** **RM'000**
Recognised as an expense/(income) during the year:		
Cost of inventories	**198,175**	176,597
Inventories written off (Note 7)	**1,431**	460
Inventories written back (Note 7)	**(7)**	(19)
Inventories written down (Note 7)	**-**	300

Included in inventories written off is an amount of RM1,013,176 (2020: Nil) being cost of inventories written off due to flood damage during the current reporting period.

22. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2021 **RM'000**	**2020** **RM'000**	**2021** **RM'000**	**2020** **RM'000**
Trade receivables	**18,406**	13,039	**-**	-
Less: Loss allowance	**(355)**	(583)	**-**	-
	18,051	12,456	**-**	-
Amount due from subsidiaries - non-trade (Note 23)	**-**	-	**55,498**	51,921
Amount due from other related parties - trade	**53,364**	36,478	**-**	-
Other receivables	**333**	21	**-**	-
	71,748	48,955	**55,498**	51,921

Analysis of currency profile of trade and other receivables is as follows:

	The Group		The Company	
	2021 **RM'000**	**2020** **RM'000**	**2021** **RM'000**	**2020** **RM'000**
Ringgit Malaysia	**68,400**	46,111	**55,498**	51,921
Singapore Dollar	**1,986**	1,246	**-**	-
Chinese Renminbi	**1,250**	1,393	**-**	-
United States Dollar	**98**	205	**-**	-
British Pound	**14**	-	**-**	-
	71,748	48,955	**55,498**	51,921

22. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables and the trade portions of amount due from other related parties of the Group comprise amounts receivable for the sale of goods. The credit periods granted on sale of goods range from 7 to 120 days (2020: 7 to 120 days). No interest is charged on overdue outstanding trade balances.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables and trade portion of amount due from other related parties are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables and trade portion of amount due from other related parties based on the Group provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

The Group 2021			**Trade receivables**				
Ageing of outstanding balances (number of days)	**Not past due RM'000**	**1 - 30 RM'000**	**31 - 60 RM'000**	**61 - 90 RM'000**	**91 - 120 RM'000**	**>120 RM'000**	**Total RM'000**
ECL rate	**0.20%**	**0.27%**	**0.33%**	**-**	**-**	**90.34%**	
Estimated total gross carrying amounts	**16,055**	**1,464**	**299**	**157**	**79**	**352**	**18,406**
Lifetime ECL	**(32)**	**(4)**	**(1)**	**-**	**-**	**-**	**(37)**
Loss allowance	**-**	**-**	**-**	**-**	**-**	**(318)**	**(318)**
							18,051

			Amount due from other related parties				
Ageing of outstanding balances (number of days)	**Not past due RM'000**	**1 - 30 RM'000**	**31 - 60 RM'000**	**61 - 90 RM'000**	**91 - 120 RM'000**	**>120 RM'000**	**Total RM'000**
Estimated total gross carrying amounts	**53,364**	**-**	**-**	**-**	**-**	**-**	**53,364**

22. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group 2020			**Trade receivables**				
Ageing of outstanding balances (number of days)	**Not past due RM'000**	**1 - 30 RM'000**	**31 - 60 RM'000**	**61 - 90 RM'000**	**91 - 120 RM'000**	**>120 RM'000**	**Total RM'000**
ECL rate	0.67%	0.69%	0.40%	0.72%	1.56%	100.00%	
Estimated total gross carrying amounts	10,983	997	255	236	50	518	13,039
Lifetime ECL	(73)	(7)	(1)	(1)	(1)	(179)	(262)
Loss allowance	-	-	-	-	-	(321)	(321)
							12,456

			Amount due from other related parties				
Ageing of outstanding balances (number of days)	**Not past due RM'000**	**1 - 30 RM'000**	**31 - 60 RM'000**	**61 - 90 RM'000**	**91 - 120 RM'000**	**>120 RM'000**	**Total RM'000**
Estimated total gross carrying amounts	29,816	-	-	-	-	6,662	36,478

The following table shows the movement in loss allowance that has been recognised for trade receivables set out in MFRS 9.

	The Group	
	2021 RM'000	**2020 RM'000**
At beginning of year	**583**	17
Impairment losses (Note 7)	**35**	306
Credit losses (reversed)/allowance (Note 7)	**(242)**	262
Reversal of impairment loss (Note 7)	**(4)**	-
Amounts written off	**(17)**	(2)
At end of year	**355**	583

Transactions with related parties are disclosed in Note 23.

23. RELATED PARTY TRANSACTIONS

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 may be individuals or entities.

Related party transactions

Transactions with related parties are as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subsidiaries				
Dividends received	**-**	-	**7,366**	6,716
Loan interest received/receivable	**-**	-	**1,706**	2,742
Transactions with other related parties being companies in which certain directors/shareholders and/or persons connected with the directors/shareholders have substantial interests				
ASAP International Sdn Bhd				
Rental of premise received	**46**	46	**-**	-
Cactus Marketing Sdn Bhd				
Sale of goods	**4,036**	3,550	**-**	-
Rental of premise received	**108**	108	**-**	-
Transport charges paid	**16**	-	**-**	-
Cranberry International Sdn Bhd				
Rental of premise received	**68**	68	**-**	-
Sale of goods	**3**	14	**-**	-
Desa Tea Sdn Bhd				
Purchase of goods	**18**	39	**-**	-
Multibase Systems Sdn Bhd				
Secretarial fees paid/payable	**27**	25	**10**	10
Sabah Tea Garden Sdn Bhd				
Purchase of goods and services	**59**	65	**-**	-
Rental of cafeteria received	**56**	56	**-**	-
Sale of goods	**4**	5	**-**	-
South East Asia Paper Products Sdn Bhd^				
Purchase of goods	**614**	1,878	**-**	-
Sale of goods	**-**	1	**-**	-

23. RELATED PARTY TRANSACTIONS (CONT'D)

Related party transactions (Cont'd)

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Transactions with other related parties being companies in which certain directors/shareholders and/or persons connected with the directors/shareholders have substantial interests (Cont'd)				
Unikampar Credit And Leasing Sdn Bhd				
Sale of goods	**1**	1	**-**	-
Yee Lee Edible Oils Sdn Bhd				
Sale of goods	**6,891**	6,489	**-**	-
Internal audit fee paid	**46**	42	**-**	-
Transport charges paid	**13**	7	**-**	-
Yee Lee Marketing Sdn Bhd				
Sale of goods	**28,702**	26,642	**-**	-
Rental of premise received	**18**	-	**-**	-
Yee Lee Oils & Foodstuffs (Singapore) Pte Ltd				
Sale of goods	**4,131**	4,621	**-**	-
Yee Lee Organization Bhd				
Rental of premise paid	**60**	-	**-**	-
Yee Lee Trading Co Sdn Bhd				
Sale of goods	**105,381**	99,884	**-**	-
Purchase of goods	**108**	247	**-**	1
Yew Lee Chiong Tin Factory Sdn Bhd				
Sale of goods	**3**	6	**-**	-
YLTC Sdn Bhd				
Sale of goods	**17,571**	16,481	**-**	-

^ Ceased being a related party with effect from March 1, 2021.

The non-trade amount due from subsidiaries is unsecured, bears interest at 3.00% (2020: 3.00%) per annum, repayable on demand and will be settled in cash.

The non-trade amount due to other related parties are unsecured, interest-free, repayable on demand and will be settled in cash.

The outstanding balances arising from related party transactions are disclosed in Notes 22 and 31.

24. OTHER ASSETS

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Deposits	**11,686**	2,618	**1**	1
Prepaid expenses	**1,890**	944	**2**	2
Shares application monies	**-**	-	**17**	-
	13,576	3,562	**20**	3

Included in deposits of the Group are amounts totalling RM9,911,970 (2020: RM741,473) which represent deposits paid for purchase of property, plant and equipment.

25. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed deposits with licensed banks	**9,663**	13,213	**-**	-
Cash and bank balances	**12,089**	10,002	**75**	627
	21,752	23,215	**75**	627

A fixed deposit of RM23,612 (2020: RM23,231) is pledged to a licensed bank as security for banking facilities granted to a subsidiary.

The effective interest rates for fixed deposits ranged from 1.20% to 1.50% (2020: 1.20% to 1.60%) per annum with maturity periods of 3 to 30 days (2020: 4 to 30 days).

Analysis of currency profile of fixed deposits, cash and bank balances is as follows:

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Ringgit Malaysia	**16,103**	18,369	**75**	627
Chinese Renminbi	**2,067**	1,132	**-**	-
Australian Dollar	**1,793**	1,835	**-**	-
United States Dollar	**1,613**	1,868	**-**	-
Singapore Dollar	**160**	1	**-**	-
Hong Kong Dollar	**16**	10	**-**	-
	21,752	23,215	**75**	627

26. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

The Group and The Company	2021 Number of ordinary shares '000 units	2020 Number of ordinary shares '000 units	2021 RM'000	2020 RM'000
Issued and fully paid:				
Ordinary shares	**209,993**	209,993	**216,571**	216,571

(b) Treasury shares

The Group and The Company	2021 Number of ordinary shares '000 units	2020 Number of ordinary shares '000 units	2021 RM'000	2020 RM'000
At beginning and end of year	**24**	24	**14**	14

As of December 31, 2021, there are 24,000 treasury shares held by the Company. The number of ordinary shares in issue after excluding the treasury shares is 209,968,727 (2020: 209,968,727).

The mandate given by the shareholders to purchase own shares will expire at the forthcoming Annual General Meeting ("AGM") and an ordinary resolution needs to be tabled at the AGM for shareholders to grant a fresh mandate for another year.

27. RESERVES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-distributable reserve:				
Equity-settled employee benefits reserve	**9,018**	4,815	**9,018**	4,815
Translation reserve	**(395)**	(149)	**-**	-
	8,623	4,666	**9,018**	4,815
Distributable reserve:				
Retained earnings	**237,570**	222,780	**17,908**	17,902
	246,193	227,446	**26,926**	22,717

27. RESERVES (CONT'D)

(a) Equity-settled employee benefits reserve

The equity-settled employee benefits reserve relates to share-based payment expenses recognised under the SGP as disclosed in Note 34.

(b) Translation reserve

Exchange differences relating to the translation from the functional currency of foreign subsidiaries of the Group into Ringgit Malaysia are recognised directly in other comprehensive income and accumulated in the translation reserve.

(c) Retained earnings

The entire retained earnings of the Company as of the end of the financial year is available for distribution as single-tier dividends to the shareholders of the Company.

28. LEASE LIABILITIES

	The Group	
	2021 RM'000	**2020 RM'000**
Maturity analysis:		
Year 1	**363**	238
Year 2	**256**	238
Year 3	**113**	110
	732	586
Less: Unearned interest	**(66)**	(52)
	666	534
Analysed as:		
Non-current	**300**	309
Current	**366**	225
	666	534

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's management.

29. BORROWINGS

	The Group	
	2021 RM'000	2020 RM'000
Secured		
Revolving credits	**5,489**	3,233
Unsecured		
Term loans	**-**	1,159
	5,489	4,392
Less: Amount due within 12 months (shown under current liabilities)	**(5,489)**	(4,368)
Non-current portion	**-**	24

The non-current portion of the term loans is repayable as follows:

	The Group	
	2021 RM'000	2020 RM'000
Financial year ending December 31, 2022	**-**	24

Analysis of currency profile of borrowings is as follows:

	The Group	
	2021 RM'000	2020 RM'000
Chinese Renminbi	**5,489**	3,233
Ringgit Malaysia	**-**	1,159
	5,489	4,392

The Group has the following term loans:

(a) a five (5) year term loan of RM5,000,000 (2020: RM5,000,000) which is repayable by equal monthly instalments commencing June 1, 2016; and

(b) a five (5) year term loan of RM4,800,000 (2020: RM4,800,000) which is repayable by equal monthly instalments commencing January 16, 2017.

Both the term loans have been fully repaid during the year.

The average effective interest rates per annum are as follows:

	The Group	
	2021 %	2020 %
Revolving credits	**4.45**	4.50 - 5.00
Term loans	**3.01**	3.01 - 3.59

The Group obtained banking facilities including term loan facilities to the extent of RM96,072,000 (2020: RM95,865,720) from certain licensed banks, of which RM91,272,000 (2020: RM91,679,820) are guaranteed by the Company. The revolving credit facilities are secured by a letter of credit issued by the Company. Certain facilities are also secured by fixed deposit of a subsidiary as mentioned in Note 25.

30. DEFERRED TAX LIABILITIES

The Group	Property, plant and equipment RM'000	Investment properties RM'000	Revaluation reserve RM'000	Unrealised (gain)/loss on foreign exchange RM'000	Unutilised RA, GITA and SRA RM'000	Provision RM'000	Unrealised profit on closing inventories RM'000	Unutilised tax losses and unabsorbed capital allowance RM'000	Others RM'000	Total RM'000
As of January 1, 2020	21,232	174	2,061	(7)	(1,163)	-	-	(49)	(16)	22,232
Recognised in the statement of profit or loss (Note 12)	3,755	26	(130)	7	(7,170)	(1,188)	(142)	(9)	16	(4,835)
As of December 31, 2020	24,987	200	1,931	-	(8,333)	(1,188)	(142)	(58)	-	17,397
Recognised in the statement of profit or loss (Note 12)	**2,934**	**1**	**(17)**	**-**	**1,376**	**(879)**	**-**	**(3)**	**(39)**	**3,373**
As of December 31, 2021	**27,921**	**201**	**1,914**	**-**	**(6,957)**	**(2,067)**	**(142)**	**(61)**	**(39)**	**20,770**

As of December 31, 2021, the Group has unutilised RA, GITA and SRA of RM28,988,000 (2020: RM34,724,000) which are available for offset against future taxable profit.

The deferred tax impact of unutilised RA, GITA and SRA of the Group amounting to RM6,957,000 (2019: RM8,333,000) have been recognised in full in the financial year.

Unrecognised deferred tax assets

As of December 31, 2021, the amounts of unutilised tax losses and unabsorbed capital allowance of the Group which are not recognised in the financial statements are RM21,972,000 (2020: RM17,275,000).

The following deferred tax assets at the applicable tax rate of 24% (2020: 24%) have not been recognised at the end of the reporting period:

	The Group	
	2021 RM'000	2020 RM'000
Tax effects of unutilised tax losses and unabsorbed capital allowance	**5,273**	4,146

As mentioned in Note 3, the tax effects of unused tax losses and unused tax credits which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The tax effect of the above estimated amount of unused tax losses and unused tax credits are not recognised in the financial statements due to uncertainty of their realisation.

30. DEFERRED TAX LIABILITIES (CONT'D)

The unutilised tax losses, unutilised RA and SRA will expire as follows:

	The Group	
	2021 RM'000	**2020 RM'000**
Year of assessment 2025	**2,613**	4,202
Year of assessment 2028	**871**	28,575
Year of assessment 2031	**20,469**	-
	23,953	32,777

The remaining unutilised tax losses of RM20,900,000 (2020: RM16,166,000) arising from a foreign subsidiary have no expiry period.

31. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Trade payables	**21,110**	12,510	**-**	-
Amount due to other related parties:				
- trade	**3**	560	**-**	-
- non-trade	**27**	8	**-**	-
Other payables	**19,672**	14,677	**7**	5
	40,812	27,755	**7**	5

Analysis of currency profile of trade and other payables is as follows:

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Ringgit Malaysia	**36,229**	23,690	**7**	5
United States Dollar	**2,280**	745	**-**	-
Chinese Renminbi	**2,053**	2,887	**-**	-
Euro	**196**	387	**-**	-
Singapore Dollar	**54**	39	**-**	-
British Pound	**-**	7	**-**	-
	40,812	27,755	**7**	5

Trade payables and the trade portions of amount due to other related parties comprise amounts outstanding for trade purchases. The credit periods granted to the Group for trade purchases ranged from 30 to 120 days (2020: 30 to 120 days). The amount owing to other payables comprise amounts outstanding for purchase of plant and machinery and ongoing costs. These amounts due are unsecured, interest-free and are repayable upon demand.

Included in other payables of the Group is an amount of RM3,146,562 (2020: RM1,979,277) being Sales Tax payable.

Transactions with related parties are disclosed in Note 23.

32. OTHER LIABILITIES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Accrued expenses	**26,812**	21,228	**271**	276
Deposits received	**483**	686	**-**	-
	27,295	21,914	**271**	276

Included in accrued expenses of the Group is an amount of RM5,552,836 and RM151,778 (2020: RM2,311,321 and RM71,163), being refund liabilities arising from rebates and volume discounts, and right to return given to eligible customers respectively.

33. DIVIDEND

	The Group and The Company	
	2021 RM'000	2020 RM'000
First and final dividend paid:		
4.5 sen, single-tier, for financial year ended December 31, 2020 (2020: 4.5 sen, single-tier, for financial year ended December 31, 2019)	**9,449**	9,449

The directors proposed a first and final dividend of 4.5 sen per share, under the single-tier system, in respect of the current financial year. This proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

34. EMPLOYEES' SHARE GRANT PLAN ("SGP")

The Company's SGP was approved by the shareholders of the Company at the Extraordinary General Meeting held on May 30, 2019. The Company granted up to 5% of its issued share capital (excluding treasury shares) to eligible employees and Executive Directors of the Company and its subsidiaries, which are not dormant (collectively referred to as "Eligible Employees") of the Group. The SGP is administered by the SGP Committee and governed by a set of by-laws.

The implementation of SGP would incentivise the Eligible Employees to stay with the Group over a longer term and contribute towards long-term objectives of the Group as well as align their interests to those of the shareholders of the Company. The SGP is expected to achieve the following objectives:

(i) to recognise and reward the Eligible Employees by giving recognition to their contributions and services that are considered vital to the operations, hence motivating the employees to perform in order to create a sustainable growth and profitability of the Group;

(ii) to retain, motivate and reward the Eligible Employees by allowing them to participate in the Group's profitability and eventually realise the value of the SGP Shares upon disposal;

(iii) to align the interest of the employees with that of the shareholders of the Company through the achievement of long-term goals;

(iv) to attract prospective employees with relevant skills and experience to the Group by making the total compensation package more competitive; and

(v) to foster and reinforce a greater sense of loyalty and belonging amongst the Eligible Employees upon vesting of the SGP Shares as they will be able to participate directly in the equity of the Company and thereby the SGP provides an incentive for the SGP Eligible Employees to participate more actively in the operations and future growth of the Group and motivate them to further contribute to the growth and success of the Group.

34. EMPLOYEES' SHARE GRANT PLAN ("SGP")

The salient features of the SGP are as follows:

1. <u>Maximum number of SGP Shares available under the SGP</u>

   The total number of SGP Shares, which may be made available pursuant to the SGP shall not exceed in aggregate 5% of the total number of issued shares of the Company (excluding treasury shares) at any point in time during the SGP period.

2. <u>Maximum allowable allocation and basis of allocation</u>

   The aggregate maximum number of SGP Shares that may be offered to an Eligible Employees shall be determined by the SGP Committee after taking into consideration, amongst other factors:

   (i) the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the SGP Period relating to the employees' and/ or directors' share issuance schemes;

   (ii) the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Employees; and

   (iii) such other matters which the SGP Committee may in its sole discretion deem fit;

   and shall be subject to the following:

   (i) subject to the By-Laws, the aggregate maximum number of SGP Shares that may be allocated to any 1 category and/ or designation of employment of the Eligible Employee(s) shall be determined entirely at the discretion of the SGP Committee;

   (ii) not more than 10% of the aggregate number of SGP Shares to be issued under the SGP shall be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with the Eligible Employee, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any);

   (iii) not more than 80% of the SGP Shares available under the SGP shall be allocated in aggregate to the Eligible Employees who are the directors and senior management of the Group; and

   (iv) no director(s) or Employee(s) shall participate in the deliberation or discussion of their own respective allocations and/ or allocations to persons connected with them under the SGP.

   The SGP is structured based on a performance structure whereby the SGP Shares will only be allotted to the Eligible Employees upon the key targets and goals being met. The Group has allocated the SGP Shares to departments which are crucial and has identified the marketing and sales department as crucial. Nevertheless, the Company also allocated a portion of the SGP Shares to other departments supporting the performance of the Group (e.g., administration department, human resource department and finance department).

   The management also views that the directors and senior management of the Company would play an important role in order to strategise and direct the resources of Spritzer to achieve the key target and goal. As such, the management of Spritzer has decided that up to 80% of the SGP Shares available under the SGP will be allocated to this group of employees. The directors and senior management, who will be the driving force of the Group, will be incentivised by being able to participate directly in the equity of the Company when they manage to meet their respective key target and goals.

34. EMPLOYEES' SHARE GRANT PLAN ("SGP") (CONT'D)

3. Eligibility

An Employee shall be eligible for consideration and selection by the SGP Committee to participate in the SGP if as at the date of award, the employee:

(i) has attained the age of at least 18 years and is not an undischarged bankrupt;

(ii) is in employment within the Group and has not served a notice to resign nor received a notice of termination; and

(iii) is under such categories and criteria that the SGP Committee may from time to time decide at its discretion.

In the case of a director or a chief executive or a major shareholder of the Company and/ or persons connected with them who will be allotted SGP Shares pursuant to the SGP, their specific allotments under the SGP shall be approved by the shareholders of the Company in a general meeting.

Eligibility, however, does not confer an Eligible Employee a claim or right to participate in the SGP unless the SGP Committee has made an offer to the Eligible Employee in the manner as set out in the By-Laws and the Eligible Employee has accepted the offer in accordance with the terms of the offer for the SGP.

4. Duration

The SGP took effect on January 1, 2019 ("Effective Date") and will be in force for a period of 6 years from the Effective Date and may be extended at the discretion of the Board upon the recommendation of the SGP Committee provided that the SGP Period shall not in aggregate exceed the duration of 10 years from the Effective Date or such longer duration as may from time to time be permitted by the relevant authorities.

All SGP Awards shall lapse on the expiry of the SGP Period.

Notwithstanding anything set out in the By-Laws and subject to compliance with the Listing Requirements in relation to the SGP, the Company may terminate the SGP at any time during the SGP Period.

5. Ranking of the SGP Shares

The SGP Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing issued shares, save and except that the new shares will not be entitled to any dividends, rights, allotment and/ or other forms of distribution that may be declared, made or paid to shareholders, for which the entitlement date for the distribution precedes the date of allotment and issuance of the new shares.

6. Retention period

All new shares issued and allotted pursuant to the SGP may be subject to such reasonable retention period or restriction on transfer (if any/ applicable) imposed or determined by the SGP Committee at its discretion. An Eligible Employee may deal with the new shares that are issued and allotted to him/her, after the said new shares have been vested with him/her, in any way he pleases subject to provisions of the By-Laws. However, the Eligible Employees are encouraged to hold the SGP Shares as investments rather than for immediate realisation to yield profit.

34. EMPLOYEES' SHARE GRANT PLAN ("SGP") (CONT'D)

7. Amendments and/or modifications

Subject to the compliance with the Listing Requirements and any other applicable regulatory requirements, the SGP Committee may, at any time and from time to time, recommend to the Board any amendment, variation and/ or modification of the By-Laws as it shall in its discretion, think fit and the Board shall have the power by resolution to add, amend, vary, modify and/ or delete any part of the provisions of the By-Laws upon such recommendation, provided always that no such amendment, variation and/ or modification shall be made which will:

(i) prejudice any rights which have been accrued to any Eligible Employee without his/her prior consent or sanction;

(ii) increase the number of new shares available under the SGP beyond the maximum allowed by the By-Laws; or

(iii) alter any matters which are required to be contained in the By-Laws by virtue of the Listing Requirements to the advantage of any Eligible Employee, without the prior approval of shareholders obtained at a general meeting,

unless allowed otherwise by the provisions of the Listing Requirements.

8. Vesting conditions

The SGP Committee shall, as and when it deems practicable and necessary, review and determine at its own discretion the vesting conditions specified in respect of the SGP Award. The SGP Shares or such part thereof as may be specified in the SGP Award will only vest with the Eligible Employee on the vesting date(s) if the vesting conditions are fully and duly satisfied, which includes, amongst others, the following:

(i) the Eligible Employee must remain an employee as at the vesting date and shall not have given a notice to resign or received a notice of termination as at the vesting date;

(ii) the Eligible Employee has not been adjudicated a bankrupt;

(iii) the Performance Targets are fully and duly satisfied; and/ or

(iv) any other conditions which are determined by the SGP Committee.

9. SGP Award

The number of SGP Shares outstanding as of December 31, 2021 is 9,292,000 (2020: 9,972,000) and none of the SGP Shares are vested.

The details of SGP Shares awarded to Eligible Employees are as follows:

	Balance as of 1.1.2021 '000 units	**Vested '000 units**	**Lapsed '000 units**	**Balance as of 31.12.2021 '000 units**
Executive Directors	3,251	**-**	**-**	**3,251**
Key management personnel	3,037	**-**	**(262)**	**2,775**
Others	3,684	**-**	**(418)**	**3,266**
Total	9,972	**-**	**(680)**	**9,292**

34. EMPLOYEES' SHARE GRANT PLAN ("SGP") (CONT'D)

Fair value of SGP Shares

The fair value of the SGP Shares is RM2.19 per unit, representing the closing price of Spritzer shares quoted on Bursa Malaysia Securities Berhad on grant date.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Financial assets				
At FVTOCI:				
Investment in unquoted shares	**1,000**	-	**-**	-
At FVTPL:				
Investments in money market funds	**85,808**	81,936	**78,763**	81,936
At amortised cost:				
Trade and other receivables	**71,748**	48,955	**-**	-
Amount due from subsidiaries	**-**	-	**55,498**	51,921
Refundable deposits	**551**	506	**1**	1
Fixed deposits, cash and bank balances	**21,752**	23,215	**75**	627
Financial liabilities				
At amortised cost:				
Trade and other payables	**37,665**	25,776	**7**	5
Borrowings	**5,489**	4,392	**-**	-
Lease liabilities	**666**	534	**-**	-
Accrued expenses	**26,812**	21,228	**271**	276
Refundable deposits received	**312**	406	**-**	-

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risks.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Market risk

(i) Foreign currency risk

The Group's transactions in foreign currencies are in United States Dollar ("USD"), Australian Dollars ("AUD"), Euro ("EUR"), Singapore Dollar ("SGD"), Chinese Renminbi ("RMB"), British Pound ("GBP") and Hong Kong Dollar ("HKD") and therefore, are exposed to foreign exchange risk. The Group enters into foreign currency forward contracts to manage its exposure against foreign currency fluctuation on foreign receipts and payments.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities of the Group at the end of the reporting period are disclosed in Notes 22, 25, 29 and 31 respectively.

Sensitivity analysis for foreign currency risk

Management does not consider the Group's exposure to foreign currency exchange risk significant as of December 31, 2021. Therefore, sensitivity analysis for foreign currency exchange risk is not disclosed.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group finances its operations by a mixture of internal funds and bank and other borrowings. The Group regularly reviews the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration of the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The details of the Group's borrowings are as disclosed in Note 29.

Sensitivity analysis for interest rate risk

Management does not consider the Group's exposure to interest rate risk from bank borrowings and interest-bearing assets significant as of December 31, 2021. Therefore, interest rate sensitivity analysis is not disclosed.

(iii) Other price risk

The Group is exposed to equity price risk arising from equity investment.

Equity investment in unlisted entities are held for strategic rather than trading purposes. The Group does not actively trade this investment.

Sensitivity analysis for other price risk

Management does not consider the Group's exposure to price risk from the equity investment significant as of December 31, 2021. Therefore, price risk sensitivity analysis is not disclosed.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure of the Group to credit risk arises principally from its receivables, amount due from other related parties and other financial assets. The credit risk exposure of the Company arises from amount due from subsidiaries and financial guarantees given to licensed banks and credit and leasing company for credit facilities granted to subsidiaries and other financial assets.

Receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The Group established policies on credit control involves comprehensive credit evaluations, setting up appropriate credit limits, ensuring the sales are made to customers with good credit history and regular review of customers' outstanding balances and payment trends. The Group considers the risk of material loss in the event of non-performance by the customers to be unlikely.

At the end of the reporting period, the Group has significant concentration of credit risk as 53% (2020: 49%) of its receivable is with a related party.

The Group holds bank guarantees and a personal guarantee to the extent of RM6,322,650 (2020: RM3,969,800) and RM921,395 (2020: RM618,131) respectively as securities against any outstanding charges or liabilities incurred by customers. Other than these, the Group does not hold any other collateral and the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position, net of the amount of the bank guarantees and a personal guarantee mentioned above. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

In order to minimise credit risk, the Group and the Company have developed and have maintained credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group and the Company use other publicly available financial information and its own trading records to rate its major customers and other debtors. The Group's and the Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The ageing of trade receivables and amount due from other related parties that are past due are disclosed in Note 22.

Amount Due From Subsidiaries

The credit risk on advances made to subsidiaries that are repayable on demand is managed on a Group basis by management of the Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiaries is minimal.

At the end of the reporting period, there was no indication that the balances due from subsidiaries are not recoverable.

At the end of the reporting period, the maximum exposure to credit risk of the Company arising from amount due from subsidiaries is represented by the carrying amounts in the statement of financial position.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Credit risk (Cont'd)

Financial Guarantee

The Company provides unsecured financial guarantees to licensed banks in respect of banking facilities granted to the subsidiaries. The Company monitors on an ongoing basis the trend of repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM5,489,000 (2020: RM4,392,000) representing banking facilities utilised as of the end of the reporting period.

At the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

Other Financial Assets

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity and cash flow risks

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The Group's and the Company's principal source of liquidity has historically been cash flows from operations and funds obtained from long and short-term borrowings.

The Group and the Company expect that the cash generated from their operations, their existing credit facilities and the trade terms provided by its suppliers will be sufficient to meet the Group's and the Company's currently anticipated capital expenditure and working capital needs for at least the next 12 months.

The Group has credit facilities of approximately RM51,699,000 (2020: RM52,930,000) which are unused at the end of the reporting period. The Group expects to meet its financial obligations from its operating cash flows and proceeds from maturing financial assets.

The following tables detail the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the Group and the Company are required to pay.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks (Cont'd)

The Group 2021	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial liabilities:				
Trade and other payables	**37,665**	**-**	**-**	**37,665**
Refundable deposits received	**312**	**-**	**-**	**312**
Accrued expenses	**26,812**	**-**	**-**	**26,812**
Borrowings	**5,735**	**-**	**-**	**5,735**
Lease liabilities	**363**	**369**	**-**	**732**
Total undiscounted non-derivative financial liabilities	**70,887**	**369**	**-**	**71,256**
2020				
Non-derivative financial liabilities:				
Trade and other payables	25,776	-	-	25,776
Refundable deposits received	406	-	-	406
Accrued expenses	21,228	-	-	21,228
Borrowings	4,398	24	-	4,422
Lease liabilities	238	348	-	586
Total undiscounted non-derivative financial liabilities	52,046	372	-	52,418
The Company 2021				
Non-derivative financial liabilities:				
Trade and other payables	**7**	-	**-**	**7**
Accrued expenses	**271**	-	**-**	**271**
Financial guarantee contracts	**5,735**	-	**-**	**5,735**
Total undiscounted non-derivative financial liabilities	**6,013**	-	**-**	**6,013**
2020				
Non-derivative financial liabilities:				
Trade and other payables	5	-	-	5
Accrued expenses	276	-	-	276
Financial guarantee contracts	4,392	-	-	4,392
Total undiscounted non-derivative financial liabilities	4,673	-	-	4,673

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks (Cont'd)

The amounts included above for financial guarantee contracts are the maximum amounts of the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterpart to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

The Group and the Company have not committed to any derivative financial instruments in the current financial year.

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from the previous financial year.

The capital structure of the Group and of the Company consist of net debt and equity of the Group and of the Company.

Fair Values of Financial Instruments

Fair values of financial assets and financial liabilities at amortised cost

The carrying amounts of short-term financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of term loans was included in Level 2 category of the fair value hierarchy in accordance with MFRS 7 and had been determined by the present value of future cash flows estimated and discounted using the current interest rates for similar instruments at the end of the previous reporting period. There was no material difference between the previous carrying amount and the estimated fair value of the term loans at the end of the previous reporting period.

Fair values of financial assets and financial liabilities at fair value on a recurring basis

Some of the Group financial assets are measured at fair value at the end of each reporting period. The following information is about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input used). See Note 3 for categories of fair values.

(a) Investment in unquoted shares

The fair value of investment in unquoted shares in Malaysia is included in Level 2 category of the fair value hierarchy in accordance with MFRS 7 and has been determined by reference to the latest subscription price paid for the shares in the unquoted investee.

(b) Investments in money market funds

The fair values of investments in money market funds are included in Level 1 category of the fair value hierarchy in accordance with MFRS 7 and have been determined by reference to quoted closing prices in an active market at the close of the business at the end of the reporting period.

There were no transfers between Level 1 and 2 during the current or prior year.

36. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group	
	2021 RM'000	**2020 RM'000**
Cash purchase	**15,067**	25,490
Included in other payables	**694**	5,165
Advance payments made in prior year included in deposits	**515**	1,187
Included in other liabilities	**-**	5,979
	16,276	37,821

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities.

The Group	**Note**	**As of 1.1.2021 RM'000**	**Financing cash flows RM'000**	**Non-cash changes RM'000**	**As of 31.12.2021 RM'000**
Lease liabilities	28	**534**	**(260)**	**392**	**666**
Revolving credits	29	**3,233**	**2,256**	**-**	**5,489**
Term loans	29	**1,159**	**(1,159)**	**-**	**-**

	Note	**As of 1.1.2020 RM'000**	**Financing cash flows RM'000**	**Non-cash changes RM'000**	**As of 31.12.2020 RM'000**
Lease liabilities	28	-	(126)	660	534
Revolving credits	29	3,001	232	-	3,233
Term loans	29	3,172	(2,013)	-	1,159

(c) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed deposits with licensed banks	**9,663**	13,213	**-**	-
Cash and bank balances	**12,089**	10,002	**75**	627
	21,752	23,215	**75**	627
Less: Fixed deposit pledged to a licensed bank	**(23)**	(23)	**-**	-
	21,729	23,192	**75**	627

37. CAPITAL COMMITMENTS

As of December 31, 2021, the Group has the following commitments in respect of property, plant and equipment:

	The Group	
	2021 RM'000	**2020 RM'000**
Approved and contracted for:		
- land and buildings	**74,828**	290
- plant, machinery and equipment	**2,979**	1,985
- motor vehicles	**1,544**	-
	79,351	2,275
Approved but not contracted for:		
- plant, machinery and equipment	**22,399**	-
	101,750	2,275

38. SIGNIFICANT EVENTS

During the financial year, the following events took place:

(a) On January 6, 2021, the Company has incorporated a wholly-owned subsidiary, Spritzer Development Sdn Bhd ("Spritzer Development") with a total issued share capital of RM2. The intended principal activities of Spritzer Development are of property development, investment holding and commercial trading. Spritzer Development remained dormant as of to date; and

(b) On December 18 and 19, 2021, a wholly-owned subsidiary, Chuan Sin Sdn Bhd's ("Chuan Sin") plant located in Shah Alam was affected by flooding due to heavy rainfall. The operations of the plant were disrupted for a few days in order to carry out maintenance repairs on machineries and clearing up inventories which were damaged. The cost of damaged inventories amounting to RM1,013,176 has been written off during the current financial period. As the subsidiary's assets are adequately covered by insurance, the directors do not expect the incident to materially affect the Group's financial position and its financial performance.

39. SUBSEQUENT EVENT

On January 17, 2022, Chuan Sin entered into two separate Sale and Purchase Agreements with two third parties for the purchase of two pieces of agricultural land located in Daerah Larut & Matang, Perak for total consideration of RM5,637,000 and RM563,000 respectively.

STATEMENT BY DIRECTORS

The directors of **SPRITZER BHD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 of December 31, 2021 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

Y BHG DATO' LIM KOK BOON, DPMP
Managing Director

MR LIM SENG LEE
Executive Director

Ipoh,
April 8, 2022

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE

For the Financial Management of the Company

I, **SOW YENG CHONG (IC No. 570218-08-5997)**, the officer primarily responsible for the financial management of **SPRITZER BHD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

MR SOW YENG CHONG
MIA 4122

Subscribed and solemnly declared by the abovenamed
SOW YENG CHONG at **IPOH** this 8th day of April 2022

Before me,

MR LAM YING WOH
NO.: A 209
COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS

As of April 1, 2022

SHARE CAPITAL

Number of Issued Share	:	209,968,727 ordinary shares (excluding 24,000 Treasury Shares)
Issued Share Capital	:	RM216,570,655
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

	Number of Shareholders		Number of Issued Shares	
Size of Shareholdings	Number	Percentage	Number	Percentage
Less than 100 shares	141	7.44	5,136	**
100 to 1,000 shares	389	20.52	229,176	0.11
1,001 to 10,000 shares	1,045	55.12	3,835,933	1.83
10,001 to 100,000 shares	243	12.81	7,771,439	3.70
100,001 to less than 5% of issued shares	75	3.95	81,431,324	38.78
5% and above of issued shares	3	0.16	116,695,719	55.58
Total	**1,896**	**100.00**	**209,968,727**	**100.00**

** Negligible

SUBSTANTIAL SHAREHOLDERS (as per the Company's Register of Substantial Shareholders)

		Direct Interest		Deemed Interest	
	Substantial Shareholders	Number of Shares	Percentage	Number of Shares	Percentage
1.	Yee Lee Corporation Bhd ("YLC")	66,374,229	31.61	-	-
2.	Tasik Puncak Holdings Ltd ("TPH") (as general partner for Tasik Puncak Holdings, LP)	27,387,225	13.04	-	-
3.	Yee Lee Holdings Sdn Bhd ("YLH")	22,811,665	10.86	-	-
4.	Lim A Heng @ Lim Kok Cheong ("LKC")	10,104,207	4.81	95,238,491 [a]	45.36
5.	Lim Kok Boon ("LKB")	7,000,000	3.33	5,015,899 [b]	2.39
6.	Chua Shok Tim @ Chua Siok Hoon ("CSH")	2,138,600	1.02	103,204,098 [c]	49.15
7.	Lai Yin Leng ("LYL")	233,333	0.11	11,782,566 [d]	5.61
8.	Yee Lee Organization Bhd ("YLO")	-	-	89,185,894 [e]	42.48
9.	Unikampar Credit And Leasing Sdn Bhd ("UCL")	-	-	89,185,894 [f]	42.48
10.	Uniyelee Sdn Bhd ("UYL")	-	-	89,185,894 [f]	42.48
11.	Yeleta Holdings Sdn Bhd ("YH")	-	-	89,185,894 [g]	42.48
12.	Young Wei Holdings Sdn Bhd ("YW")	-	-	89,185,894 [h]	42.48
13.	Diamond GP Holdings Ltd ("DGP")	-	-	27,387,225 [i]	13.04

SUBSTANTIAL SHAREHOLDERS (as per the Company's Register of Substantial Shareholders) (Cont'd)

		Direct Interest		Deemed Interest	
	Substantial Shareholders	Number of Shares	Percentage	Number of Shares	Percentage
14.	Dymon Asia Private Equity (S.E. Asia) Ltd ("Dymon SEA")	-	-	27,387,225 [j]	13.04
15.	Langit Makmur Sdn Bhd ("LM")	-	-	66,374,229 [k]	31.61
16.	DAPE Ltd ("DAPE")	-	-	27,387,225 [l]	13.04
17.	Tan Keng Soon	-	-	27,387,225 [m]	13.04
18.	Dymon Asia Capital Ltd ("DAC")	-	-	27,387,225 [m]	13.04
19.	Yong Ming Chong	-	-	27,387,225 [n]	13.04
20.	FMR LLC	-	-	10,889,900 [o]	5.19
21.	Abigail P. Johnson	-	-	10,889,900 [p]	5.19

Notes:

[a] Deemed interest by virtue of his shareholdings in Chuan Sin Resources Sdn Bhd ("CSR") and YW pursuant to Section 8 of the Companies Act 2016 ("Act"); and the shares held by his spouse, CSH and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 59(11)(c) of the Act.
[b] Deemed interest by virtue of his shareholding in CSR pursuant to Section 8 of the Act; and the shares held by his spouse, LYL and child, Lim Seng Lee in the Company pursuant to Section 59(11)(c) of the Act.
[c] Deemed interest by virtue of her shareholding in YW and deemed shareholding in CSR pursuant to Section 8 of the Act; and the shares held by her spouse, LKC and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 59(11)(c) of the Act.
[d] Deemed interest by virtue of her deemed shareholding in CSR pursuant to Section 8 of the Act; and the shares held by her spouse, LKB and child, Lim Seng Lee in the Company pursuant to Section 59(11)(c) of the Act.
[e] Deemed interest held through LM and YLH pursuant to Section 8 of the Act.
[f] Deemed interest held through YLO pursuant to Section 8 of the Act.
[g] Deemed interest held through UCL pursuant to Section 8 of the Act.
[h] Deemed interest held through YH pursuant to Section 8 of the Act.
[i] Deemed interest held through TPH pursuant to Section 8 of the Act.
[j] Deemed interest held through DGP pursuant to Section 8 of the Act.
[k] Deemed interest held through YLC pursuant to Section 8 of the Act.
[l] Deemed interest held through Dymon SEA pursuant to Section 8 of the Act.
[m] Deemed interest held through DAPE pursuant to Section 8 of the Act.
[n] Deemed interest held through DAC pursuant to Section 8 of the Act.
[o] Deemed interest via one or more funds managed/established by one or more of its subsidiaries.
[p] Deemed interest held through FMR LLC.

ANALYSIS OF SHAREHOLDINGS

As of April 1, 2022

DIRECTORS' SHAREHOLDINGS (as per the Company's Register of Directors' Shareholdings)

	Direct Interest		Deemed Interest	
Directors	**Number of Shares**	**Percentage**	**Number of Shares**	**Percentage**
Lim A Heng @ Lim Kok Cheong	10,104,207	4.81	95,238,491 [a]	45.36
Lim Kok Boon	7,000,000	3.33	5,015,899 [b]	2.39
Lim Seng Lee	1,375,566	0.66	3,651,000 [c]	1.74
Lam Sang	1,108,082	0.53	-	-
Chok Hooa @ Chok Yin Fatt	175,500	0.08	-	-
Nik Mohamad Pena bin Nik Mustapha	1,835,000	0.87	-	-
Mohd Adhan bin Kechik	2,123,965	1.01	-	-
Tan Chow Yin	-	-	-	-
Loh Chooi Ngan	-	-	-	-

Notes:

[a] Deemed interest by virtue of his shareholdings in CSR and YW pursuant to Section 8 of the Act; and the shares held by his spouse, CSH and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 59(11)(c) of the Act.

[b] Deemed interest by virtue of his shareholding in CSR pursuant to Section 8 of the Act; and the shares held by his spouse, LYL and child, Lim Seng Lee in the Company pursuant to Section 59(11)(c) of the Act.

[c] Deemed interest by virtue of his shareholding in CSR pursuant to Section 8 of the Act; and the shares held by his spouse, Huang Yu Ying in the Company pursuant to Section 59(11)(c) of the Act.

By virtue of Dato' Lim A Heng @ Lim Kok Cheong's interest in the shares of the Company, he is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has interest.

ANALYSIS OF SHAREHOLDINGS
As of April 1, 2022

TOP THIRTY SECURITIES ACCOUNT HOLDERS

	Shareholders	Number of Shares	Percentage
1.	Yee Lee Corporation Bhd	50,338,666	23.97
2.	CGS-CIMB Nominees (Asing) Sdn Bhd Exempt An for CGS-CIMB Securities (Singapore) Pte Ltd (Retail Clients)	27,509,825	13.10
3.	Yee Lee Holdings Sdn Bhd	22,811,665	10.86
4.	Yee Lee Corporation Bhd	16,035,563	7.64
5.	Lim A Heng @ Lim Kok Cheong	10,104,207	4.81
6.	Lim Kok Boon	7,000,000	3.33
7.	Cartaban Nominees (Asing) Sdn Bhd BBH and Co Boston for Fidelity Low-Priced Stock Fund (PRIN ALLSEC SUB)	5,125,400	2.44
8.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Unique Bay Sdn Bhd (PB)	4,813,500	2.29
9.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (ABERISLAMIC)	4,072,400	1.94
10.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund F9EX for Fidelity Northstar Fund	3,600,000	1.72
11.	AmanahRaya Trustees Berhad PB Smallcap Growth Fund	3,428,000	1.63
12.	AmanahRaya Trustees Berhad Public Strategic Smallcap Fund	3,408,300	1.62
13.	Chuan Sin Resources Sdn Bhd	3,407,000	1.62
14.	AmanahRaya Trustees Berhad Public Islamic Treasures Growth Fund	2,714,800	1.29
15.	Chua Shok Tim @ Chua Siok Hoon	2,138,600	1.02
16.	Mohd Adhan Bin Kechik	2,123,965	1.01
17.	Nik Mohamad Pena Bin Nik Mustapha	1,835,000	0.87
18.	AmanahRaya Trustees Berhad Public Islamic Emerging Opportunities Fund	1,717,300	0.82
19.	Maybank Nominees (Asing) Sdn Bhd Nomura Singapore Limited for Long Return Investments Limited (418847)	1,496,150	0.71
20.	AmanahRaya Trustees Berhad Public Select Treasures Equity Fund	1,267,200	0.61
21.	BT Capital Sdn Bhd	1,175,700	0.56
22.	Lam Sang	1,108,082	0.53
23.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yoong Fui Kien	1,007,000	0.48
24.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Seng Lee (MY4422)	1,000,566	0.48
25.	Cartaban Nominees (Asing) Sdn Bhd BBH and Co Boston for Fidelity Puritan Trust : Fidelity Series Intrinsic Opportunities Fund	1,000,000	0.48
26.	Jailani Bin Abdullah	997,375	0.48
27.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Zalaraz Sdn Bhd (MY3113)	841,000	0.40
28.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Khek Keng	754,100	0.36
29.	Tan Tze Lim	750,000	0.36
30.	Cartaban Nominees (Asing) Sdn Bhd BBH and Co Boston for Fidelity Low – Priced Stock CommingledPool	748,800	0.36
	Total	**184,330,164**	**87.79**

LIST OF PROPERTIES

As of December 31, 2021

Location	Tenure	Current Use	Approximate Age of Building	Land/Gross Floor Area (sq. metres)	Carrying Amount RM'000	Date of Acquisition* / Valuation
Lot 144371 H.S. (D) 127812 (formerly Lot PT 121576), Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Industrial land / Factory / Office complex	Factory / Office 15 years	31,386 / 13,380	31,755	11.09.2009
PT 7579 Pajakan Negeri No. H.S. (D) 24492 (formerly Lot No. 643 Geran 35453), PT 7580 Pajakan Negeri No. H.S. (D) 24493 (formerly part of Lot No. 129 CT 12779), PT 7581 Pajakan Negeri No. H.S. (D) 24494 (formerly part of Lot No. 129 CT 12779), Lot No.135 Title No. Pajakan Negeri No. 2577, Lot No. 898 Title No. Geran Mukim 300, Lot No. PT 4911 Surat Hakmilik H.S. (D) LM 15332, Lot No. 814 Geran Mukim 313, Lot No. 388 EMR 753, Lot No. 1574 EMR 630, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Lot 135 Leasehold expiring on 31.08.2890 PT 7579, 7580 & 7581 Leasehold expiring on 23.09.2890 Remaining Lots Freehold	Factory / Office / Staff quarters / Agricultural / Development land	Factory / Office 14 to 27 years Warehouses 2 to 23 years Staff quarters 15 to 17 years	212,182 / 48,468	49,825	31.05.2010
Lot No. 454 Pajakan Negeri No. 3176, Lot Nos.1595, 384, 386, 387, 10078, 10079, & (P.T.) 4912, Title Nos. Geran 31600 (formerly C.T. 7366), Geran Mukim 315, EMR 615, EMR 1374 and Surat Hakmilik H.S. (D) LM 15333 respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Lot 454 Leasehold expiring on 28.11.2894 Remaining Lots Freehold	Staff quarters / Minigolf course and building / Agricultural / Development land	Staff quarters 14 years Building 6 years	201,673 / 1,689	9,260	31.05.2010
Lot No. 9535 Pajakan Negeri No. 114421, Lot No. 9538 Pajakan Negeri No. 114424, Lot No. 9539 Pajakan Negeri No. 114425, Lot No. 9540 Pajakan Negeri No. 114426, Lot No. 9545 Pajakan Negeri No. 114431, Lot No. 9546 Pajakan Negeri No. 114432, Lot No. 9547 Pajakan Negeri No. 114433, Lot No. 9548 Pajakan Negeri No. 114434, Title No. H.S. (D) L & M 2361, 2364, 2365, 2366, 2371, 2372, 2373 and 2374, respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Leasehold expiring on 13.11.2084	8 units single storey terrace house	27 years	1,537 / 669	480	31.05.2010

LIST OF PROPERTIES

As of December 31, 2021

Location	Tenure	Current Use	Approximate Age of Building	Land/Gross Floor Area (sq. metres)	Carrying Amount RM'000	Date of Acquisition* / Valuation
H.S. (M) 4162 No. P.T.D. 6382, H.S. (M) 4163 No. P.T.D. 6383, H.S. (M) 4164 No. P.T.D. 6384, H.S. (M) 4189 No. P.T.D. 6385, H.S. (M) 4188 No. P.T.D. 6386, H.S. (M) 4202 No. P.T.D. 6405, H.S. (M) 4201 No. P.T.D. 6407, H.S. (M) 4160 No. P.T.D. 6409, H.S. (M) 4172 No. P.T.D. 6408, H.S. (M) 4194 No. P.T.D. 6442, H.S. (M) 16569 No. P.T.D. 4130, H.S. (M) 4193 No. P.T.D. 6443, H.S. (M) 4208 No. P.T.D. 6387, H.S. (M) 4192 No. P.T.D. 6444, H.S. (M) 4191 No. P.T.D. 6445, Mukim Tanjong Sembrong, Bukit Jintan, Johor Darul Takzim.	Freehold	Factory / Office / Staff quarters / Agricultural land	4 to 26 years	136,670 / 11,265	12,227	31.05.2010, *17.12.2012, *02.06.2014, *19.12.2017, *16.01.2020, *06.05.2020, *31.01.2021 and *31.05.2021
Lot Nos. 181631, 181632, 181633 & 181642, Title Nos. Pajakan Negeri 89482, 89483, 89484 & 89493 respectively, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan.	Leasehold expiring on 17.10.2089	Factory / Office complex / Vacant industrial land	Factory / Office 28 years Warehouses 9 to 25 years	33,969 / 15,517	11,519	31.05.2010
Lot No. 644 Geran 35454, Lot No. 130 CT 12780, Lot No. 131 CT 2974, Lot No. 902 EMR 663, Lot No. 903 EMR 664, Lot No. 904 EMR 665, Lot Nos. 125, 126, 10083, 10084 & 817, Lot No. 48 EMR 1000, Lot No. 827 EMR 539, Lot No. 1234 EMR 929, Lot No. 1235 EMR 928, Lot No. 1246 EMR 931, Lot No. 1466 EMR 1069, Lot No. 1043 CT 9668, Lot No. 455 Pajakan Negeri No. 2563, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Lot 125, 130 & 131 Leasehold expiring on 31.08.2890 Lot 126 Leasehold expiring on 23.09.2890 Lot 455 Leasehold expiring on 19.11.2893 Remaining Lots Freehold	Agricultural / Development land	N/A	764,890	10,673	31.05.2010
Lot No. 57253, Mukim of Bandar Kepong, District of Gombak, Selangor Darul Ehsan.	Freehold	Vacant industrial land	N/A	8,266	10,885	31.05.2010
Lot 47439 PN 379994 (formerly Lot No. P.T. 77 Title No. H.S. (D) KA 6980/85), Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan.	Leasehold expiring on 05.04.2066	Industrial / Factory complex	38 to 55 years	4,076 / 2,584	2,550	31.12.2021

LIST OF PROPERTIES
As of December 31, 2021

Location	Tenure	Current Use	Approximate Age of Building	Land/Gross Floor Area (sq. metres)	Carrying Amount RM'000	Date of Acquisition* / Valuation
Lot No. 10647, Title No. Pajakan Negeri 78371, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold expiring on 06.03.2050	Vacant industrial land	N/A	16,190	960	31.12.2021
Lot No. 3729, Title No. H.S. (D) L & M 124/75, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Leasehold expiring on 22.08.2035	Factory / Office complex	27 to 46 years	1,028 / 782	940	31.12.2021
Lot No. 11319 HSM 1854, Lot No. 11320 HSM 1855, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Freehold	Commercial building	13 years	339	890	31.12.2021
Lot No. 1044, Title No. Pajakan Negeri 2561 Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Leasehold expiring on 31.08.2891	Agricultural land	N/A	122,190	3,102	*30.09.2013
Lot No.10082, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Freehold	Agricultural land	N/A	11,710	519	*31.08.2017
Geran 44071/M3/8/356, No. Petak 356 & Geran 44071/M4/8/492, No. Petak 492, Lot 40356, Pekan Hicom, Daerah Petaling, Selangor Darul Ehsan.	Strata title	Staff quarters	24 years	138	309	*02.06.2017
VIDA Bukit Ceylon Unit D-08-01, B2-08-02 & C3-08-03, No. 1D, Jalan Ceylon, 50200 Kuala Lumpur.	Strata title	Vacant office suites	5 years	349	3,988	*01.10.2018
Lot No.192 & 1594 Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Freehold	Agricultural land	N/A	29,769	2,465	*30.11.2021

NOTICE OF 29TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth (29th) Annual General Meeting ("AGM") of Spritzer Bhd ("Spritzer" or "Company") will be held at Ground Floor Function Room, Flemington Hotel of No. 1, Jalan Samanea Saman, 34000 Taiping, Perak Darul Ridzuan on Monday, May 30, 2022 at 10.30 a.m. for the transaction of the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended December 31, 2021 and the Reports of the Directors and Auditors thereon. ***Please refer to Explanatory Note 1***

2. To declare a first and final dividend of 4.5 sen per share, under the single tier system, in respect of the financial year ended December 31, 2021. **Resolution 1**

3. To re-elect the following Directors who retire by rotation in accordance with Article 85 of the Company's Constitution and, being eligible, offer themselves for re-election: ***Please refer to Explanatory Note 2***

   (i) Dato' Ir. Nik Mohamad Pena bin Nik Mustapha **Resolution 2**
   (ii) Dato' Mohd Adhan bin Kechik **Resolution 3**
   (iii) Dato' Lim Kok Boon **Resolution 4**

4. To re-elect Ms. Loh Chooi Ngan who retires in accordance with Article 93 of the Company's Constitution and, being eligible, offers herself for re-election. **Resolution 5**

5. To approve the payment of Directors' fees amounting to RM391,000 in respect of the financial year ended December 31, 2021. **Resolution 6**

6. To approve the payment of other benefits (excluding Directors' fees) up to RM800,000 to the Non-Executive Directors from May 31, 2022 until the next AGM of the Company. **Resolution 7**

7. To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 8**

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

8. Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"), the Constitution of the Company and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions, for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, and that such authority shall continue to be in force until the conclusion of the next AGM of the Company." **Resolution 9**

9. Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

"THAT approval be and is hereby given to the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations as set out in Section 2.4 of Part A of the Circular/Statement to Shareholders dated April 29, 2022 subject to the followings: **Resolution 10**

(i) the transactions are carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the period with a breakdown of the aggregate value of the recurrent transactions based on the following information:

(a) the type of the recurrent transactions made; and

(b) the names of the related parties involved in each type of the recurrent transactions and their relationship with the Company.

AND THAT such approval shall continue to be in force until:

(i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may deemed necessary or expedient to give full effect to the Proposed Shareholders' Mandate."

10. Proposed Renewal of Authority to Purchase its Own Shares by Spritzer Bhd

"THAT, subject always to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of shares as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ("Bursa Securities") upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that: **Resolution 11**

(i) the aggregate number of shares bought-back and/or held does not exceed ten percent (10%) of the total number of issued shares of the Company at any point of time;

(ii) the maximum amount to be allocated for the buy-back of the Company's own shares shall not exceed the retained profits of the Company; and

(iii) upon completion of buy-back by the Company of its own shares, the Directors of the Company are authorised to deal with the shares so bought-back in any of the following manners:

   (a) cancel the shares so purchased; or

   (b) retain the shares so purchased as treasury shares and held by the Company; or

   (c) retain part of the shares so purchased as treasury shares and cancel the remainder, and the treasury shares may be distributed as dividends to the shareholders of the Company and/or resold on Bursa Securities and/or subsequently cancelled or any combination of the three.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:

(i) the conclusion of the next AGM of the Company following the AGM at which such resolution was passed at which time it will lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT authority be and is hereby unconditionally and generally given to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid buy-back with full power to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Constitution of the Company, the Listing Requirements and all other relevant governmental and/or regulatory authorities."

11. Retention of Independent Non-Executive Directors

    (i) "THAT subject to passing of Resolution 2, authority be and is hereby given to Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be retained as an Independent Non-Executive Director of the Company." **Resolution 12**

    (ii) "THAT subject to passing of Resolution 3, authority be and is hereby given to Dato' Mohd Adhan bin Kechik, who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be retained as an Independent Non-Executive Director of the Company." **Resolution 13**

12. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a first and final dividend of 4.5 sen per share, under the single tier system, in respect of the financial year ended December 31, 2021, subject to the approval of the shareholders at the 29th AGM will be paid on June 23, 2022 to Depositors whose names appear in the Record of Depositors at the close of business on June 9, 2022.

A Depositor shall qualify for entitlement to the dividends only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on June 9, 2022 in respect of transfers; and

(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

SOW YENG CHONG
SSM PC NO. 202008002172
(MIA 4122)

TAN BOON TING
SSM PC NO. 202008002544
(MAICSA 7056136)
Company Secretaries

Ipoh, Perak Darul Ridzuan
April 29, 2022

Notes:

1. Appointment of Proxy

(i) In respect of deposited securities, only Members whose name appears on the Record of Depositors as of May 23, 2022 shall be entitled to attend the Meeting or appoint proxies to attend and/or vote on his behalf.
(ii) The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or, if the Member is a corporation, either under Seal or under the hand of two (2) authorised officer, one of whom shall be a director, or of its attorney duly authorized in writing. A proxy may but need not be a Member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the Member to speak at the Meeting.
(iii) Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.
(iv) Where a Member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 hold.
(v) The instrument appointing 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 twenty-four (24) hours before the time appointed for holding the Meeting at which the person named in the appointment proposes to vote:
  (a) In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  (b) In the case of electronic appointment, the proxy form must be deposited via TIIH Online at https://tiih.online. Procedures for electronic submission of proxy form can be found in Administrative Guides for the 29th AGM.
(vi) Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all the Resolutions set out in the Notice will be put to vote by poll.
(vii) The Members are advised to refer to the Administrative Guides for the 29th AGM on the registration process for the Meeting. Kindly check Bursa Securities' and/or the Company's website at https://www.spritzer.com.my for the latest updates on the status of the Meeting, if any.

2. Explanatory Notes on Ordinary Business

Note 1

This agenda item is intended for discussion only as under Section 340(1)(a) of the Act, the Audited Financial Statements do not require formal approval of shareholders. As such, this agenda item will not be put forward for voting.

Note 2

The Nomination Committee had on February 25, 2022 assessed and recommended to the Board, the effectiveness of the Board, Board Committees and individual Directors based on a set of prescribed criteria which were approved by the Board. The Board has also undertaken an annual assessment on the independence of its Independent Directors namely Dato' Ir. Nik Mohamad Pena bin Nik Mustapha and Dato' Mohd Adhan bin Kechik who are seeking for re-election as Directors of the Company pursuant to the Company's Constitution at the forthcoming 29th AGM had provided their annual confirmation of independence for the financial year ended December 31, 2021.

Premised on the outcome of the annual assessment, the Board supports the re-election of Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, Dato' Mohd Adhan bin Kechik and Dato' Lim Kok Boon as Directors of the Company at the forthcoming 29th AGM as they have the relevant skill sets and experience and bring valuable insights and contribution to the Board. The annual assessment has been disclosed in the Corporate Governance Report which is made available on the Company's website at https://www.spritzer.com.my/agm.

3. Explanatory Notes on Special Business

Ordinary Resolutions

Resolution 9 – Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 9, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, the authority to allot and issue ordinary shares of the Company up to an amount not exceeding ten percent (10%) of the Company's total number of issued shares for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

Resolution 10 – Proposed Shareholders' Mandate

The proposed Resolution 10, if passed, will authorise the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business.

Resolution 11 – Proposed Renewal of Authority to Purchase its Own Shares

The proposed Resolution 11, if passed, will empower the Company to purchase its own shares up to ten percent (10%) of the total number of issued shares of the Company at any given point in time through Bursa Securities.

Resolutions 12 and 13 – Retention of Independent Non-Executive Directors

The proposed Resolutions 12 and 13 relate to the approval by shareholders for Dato' Ir. Nik Mohamad Pena bin Nik Mustapha and Dato' Mohd Adhan bin Kechik to continue in office as Independent Non-Executive Directors. The full details of the Board's justifications and recommendations for the retention of the two (2) Directors as Independent Non-Executive Directors are set out in the Corporate Governance Overview Statement in this Annual Report. The Board has recommended that the approval of the shareholders be sought via a two-tier voting process for the retention of Dato' Ir. Nik Mohamad Pena bin Nik Mustapha and Dato' Mohd Adhan bin Kechik as the Independent Non-Executive Directors of the Company.

Please refer to the Circular/Statement to Shareholders dated April 29, 2022 for further information on Resolutions 10 and 11.

FORM OF PROXY

SPRITZER BHD
必 胜 有 限 公 司
Registration No 199301010611 (265348-V)
(Incorporated in Malaysia)

CDS Account No	
No of shares held	

I/We, ______________________________ Tel: ______________
(Full name, NRIC No or Registration No)

of ______________________________
(Address)

being member(s) of **SPRITZER BHD**, hereby appoint:

Full Name (in Block)	**NRIC/Passport No**	**Proportion of Shareholdings**	
		No of Shares	**%**
Address			

* and/or

Full Name (in Block)	**NRIC/Passport No**	**Proportion of Shareholdings**	
		No of Shares	**%**
Address			

or failing him, the Chairperson of the Meeting, as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the Twenty-Ninth Annual General Meeting of the Company to be held on Monday, May 30, 2022 at 10.30 a.m. at Ground Floor Function Room, Flemington Hotel of No. 1, Jalan Samanea Saman, 34000 Taiping, Perak Darul Ridzuan, and at any adjournment thereof, and to vote as indicated below:

RESOLUTION	DESCRIPTIONS	FOR	AGAINST
ORDINARY BUSINESS			
1	To declare a first and final dividend		
2	To re-elect Dato' Ir. Nik Mohamad Pena bin Nik Mustapha as Director		
3	To re-elect Dato' Mohd Adhan Bin Kechik as Director		
4	To re-elect Dato' Lim Kok Boon as Director		
5	To re-elect Loh Chooi Ngan as Director		
6	To approve the payment of Directors' fees		
7	To approve the payment of other benefits (excluding Directors' fees) to Non- Executive Directors from May 31, 2022 until the next AGM of the Company.		
8	To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
9	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
10	To approve the Proposed Shareholders' Mandate		
11	To approve the Proposed Renewal of Authority to Purchase its Own Shares by Spritzer Bhd		
12	Retention of Dato' Ir. Nik Mohamad Pena bin Nik Mustapha as an Independent Non-Executive Director		
13	Retention of Dato' Mohd Adhan Bin Kechik as an Independent Non-Executive Director		

* *Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. If no specific direction as to voting is given, your proxy will vote or abstain from voting at his discretion.*

Dated this ____________ day of ________________ 2022.

____
Signature^
Member

* Delete whichever is inapplicable
^ Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are corporate member which has a common seal, this proxy form should be executed under common seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, one (1) of whom shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

(i) In respect of deposited securities, only Members whose name appears on the Record of Depositors as of May 23, 2022 shall be entitled to attend the Meeting or appoint proxies to attend and/or vote on his behalf.

(ii) The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or, if the Member is a corporation, either under Seal or under the hand of two (2) authorised officer, one of whom shall be a director, or of its attorney duly authorized in writing. A proxy may but need not be a Member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the Member to speak at the Meeting.

(iii) Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.

(iv) Where a Member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 hold.

(v) The instrument appointing 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 twenty-four (24) hours before the time appointed for holding the Meeting at which the person named in the appointment proposes to vote:

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

(b) In the case of electronic appointment, the proxy form must be deposited via TIIH Online at https://tiih.online. Procedures for electronic submission of proxy form can be found in Administrative Guides for the 29th AGM.

(vi) Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, all the Resolutions set out in the Notice will be put to vote by poll.

(vii) The Members are advised to refer to the Administrative Guides for the 29th AGM on the registration process for the Meeting. Kindly check Bursa Securities' and/or the Company's website at https://www.spritzer.com.my for the latest updates on the status of the Meeting, if any.

Fold Here to seal

STAMP

The Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Fold Here to seal

Lot 898, Jalan Reservoir
Off Jalan Air Kuning
34000 Taiping
Perak Darul Ridzuan
Malaysia

www.spritzer.com.my