

# SPRITZER



Unveiling  
Sustainability,  
Transitioning to  
**Eco-Friendly**

Annual Report 2023

# SPRITZER

## GLOBAL WATER FACTS



SAFE DRINKING WATER  
SANITATION AND HYGIENE

STILL OUT OF REACH  
FOR BILLIONS

IN 2022



**2.2 BILLION PEOPLE**

Lacked safely  
managed drinking water



**3.5 BILLION PEOPLE**

Lacked safely  
managed sanitation



**2.2 BILLION PEOPLE**

Lacked basic hand washing  
facilities



**2.4 BILLION PEOPLE**

Live in  
Water-stressed  
countries  
2020



**81% OF SPECIES**

Dependent on inland  
wetlands have  
declined since 1970

SAND CLAY

LATERITE

SILTSTONE

SHALE

QUARTZ

Information from: <https://sdgs.un.org/goals/goal6>

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# 31<sup>ST</sup>

## ANNUAL GENERAL MEETING

THURSDAY,  
**MAY 30, 2024**  
10.30 a.m.

Lot 898, Jalan Reservoir,  
Off Jalan Air Kuning, 34000  
Taiping, Perak Darul Ridzuan  
Malaysia



# 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 Director  
**Chok Hooa @ Chok Yin Fatt, PMP  
Tan Chow Yin**

Independent  
Non-Executive Directors  
**Loh Chooi Ngan  
Ir Nik Marni  
binti Nik Mohamad Pena  
Hanani Hayati binti Mohd Adhan**

## AUDIT COMMITTEE

Chairman  
**Loh Chooi Ngan**

Members  
**Chok Hooa @ Chok Yin Fatt, PMP  
Ir Nik Marni  
binti Nik Mohamad Pena  
Hanani Hayati binti Mohd Adhan**

## NOMINATION COMMITTEE

Chairman  
**Loh Chooi Ngan**

Members  
**Ir Nik Marni  
binti Nik Mohamad Pena  
Hanani Hayati binti Mohd Adhan**

## REMUNERATION COMMITTEE

Chairman  
**Loh Chooi Ngan**

Members  
**Tan Chow Yin  
Ir Nik Marni  
binti Nik Mohamad Pena**

## 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  
Chan Shiao Chew**

## COMPANY SECRETARIES

**Chow Shan Lee**  
SSM PC NO. 202308000610  
MIA 17136  
(Appointed on November 27, 2023)

**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 number : 05-2911055  
Fax number : 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 number : 03-27839299  
Fax number : 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 number : 05-2201800

## PRINCIPAL BANKERS

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

**SPRITZER ICONIC BOTTLE  
TO PROMOTE SUSTAINABILITY**



# CORPORATE STRUCTURE

As of December 31, 2023

# SPRITZER

## SPRITZER BHD

100%	ANGENET SDN BHD
100%	CHUAN SIN SDN BHD
30%	THE TAPPING TAPIR SDN BHD (Associated Company)
100%	CHUAN SIN CACTUS SDN BHD
100%	GOLDEN PET INDUSTRIES SDN BHD
100%	PET MASTER SDN BHD
100%	SPRITZER ECOPARK SDN BHD
100%	SPRITZER DEVELOPMENT SDN BHD
100%	SPRITZER (HONG KONG) LIMITED
100%	SPRITZER (GUANGZHOU) TRADING LIMITED

## FINANCIAL HIGHLIGHTS

### REVENUE



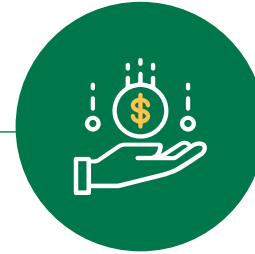
RM490.7 million  
(2022: RM433.3 million)

### PROFIT BEFORE TAX



RM65.9 million  
(2022: RM45.2 million)

### PROFIT AFTER TAX



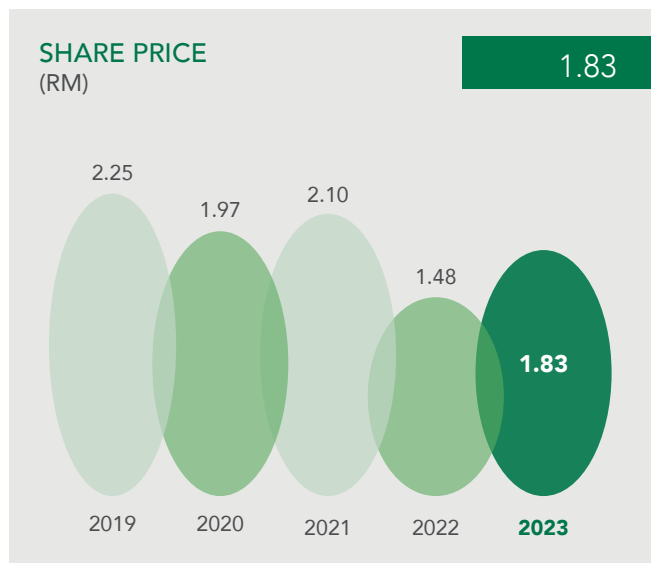
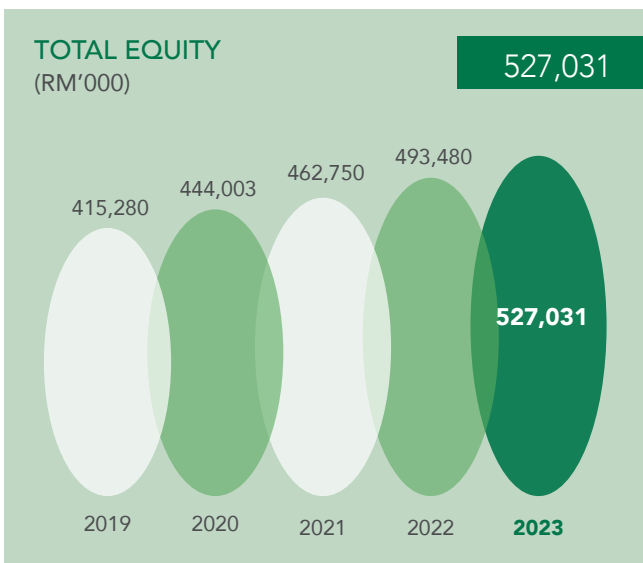
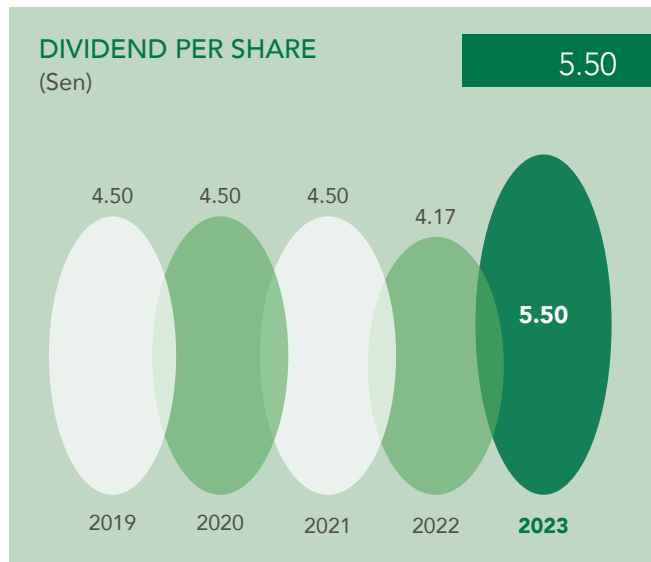
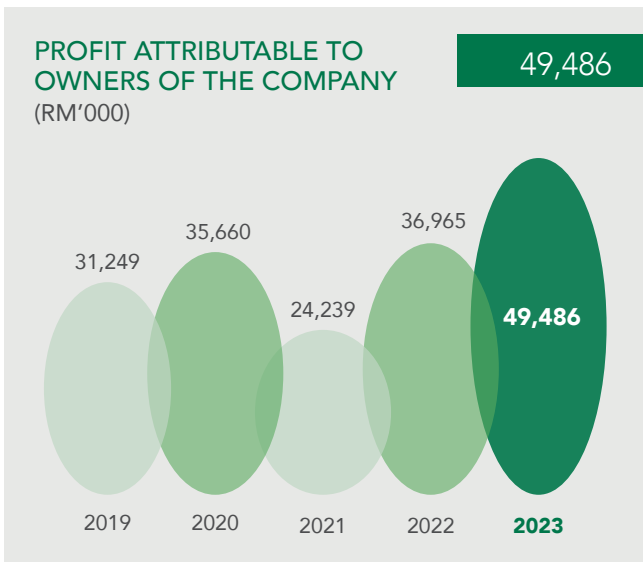
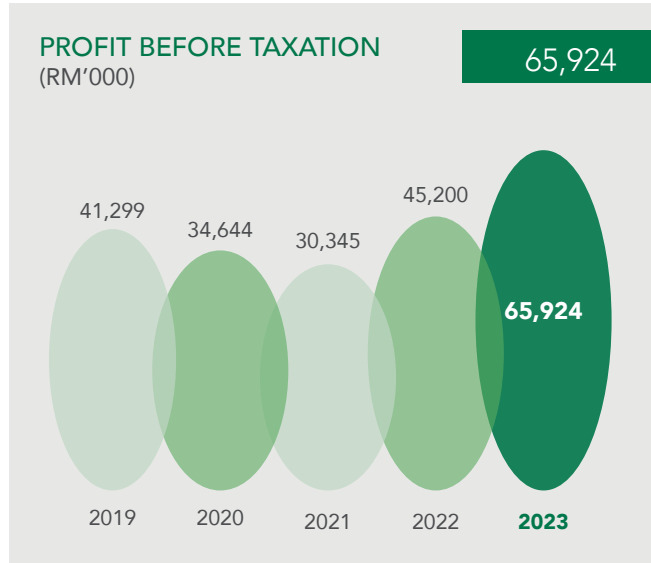
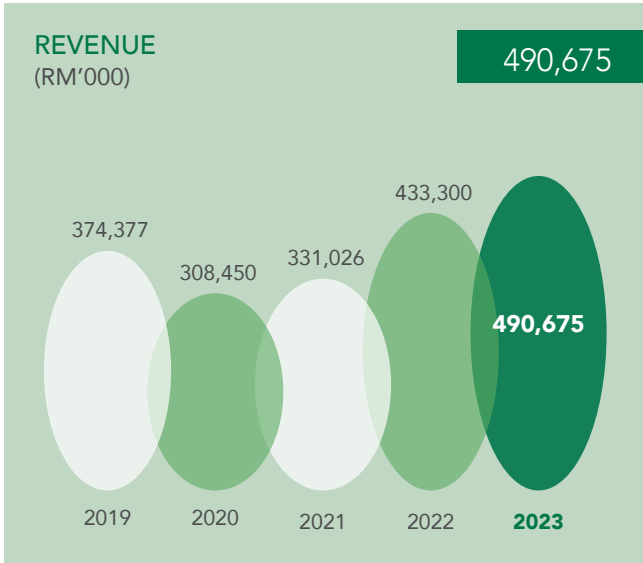
RM49.5 million  
(2022: RM37.0 million)

Financial year ended	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Revenue (RM'000)	<b>490,675</b>	433,300	331,026	308,450	374,377
Revenue growth (%)	<b>13.2</b>	30.9	7.3	(17.6)	7.7
Profit before interest, tax, depreciation and amortisation (RM'000)	<b>89,790</b>	65,532	49,944	53,609	57,711
Profit before taxation (RM'000)	<b>65,924</b>	45,200	30,345	34,644	41,299
Profit attributable to owners of the Company (RM'000)	<b>49,486</b>	36,965	24,239	35,660	31,249
Earnings per share (sen)					
- Basic	<b>15.5</b>	11.8 #	11.5	17.0	14.9
- Diluted	<b>15.2</b>	11.4 #	11.2	16.6	14.6
Dividend per share (sen)	<b>5.50</b>	4.17 #	4.50	4.50	4.50
Dividend payout ratio (%)	<b>35</b>	36	39	26	30
No. of shares in issue (less treasury shares) ('000)	<b>316,291</b>	313,304 #	209,969	209,969	209,969
Total equity (RM'000)	<b>527,031</b>	493,480	462,750	444,003	415,280
Net debt to equity ratio (*) (%)	<b>3.30</b>	-	-	-	-
Net assets per share (RM)	<b>1.67</b>	1.58 #	2.20	2.11	1.98
Share price at 31 December	<b>1.83</b>	1.48 #	2.10	1.97	2.25
Market capitalisation (RM'000)	<b>578,813</b>	463,690	440,934	413,638	472,430

# Restated to incorporate the effects of the bonus issue of 1 bonus share for every 2 existing shares held, completed in June 2023 for comparative purpose.

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

# FINANCIAL HIGHLIGHTS



# 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, 2023.

Malaysia's economy expanded moderately by 3.7% (2022: 8.7%) in 2023. Growth in 2023 was modest after a strong recovery in 2022. Domestic demand had remained resilient in 2023 but external demand was weak. Nevertheless, the demand and consumption of bottled water had been strong throughout 2023. The Group has recorded another year of strong revenue growth of 13% to a new record of RM490.7 million in 2023 (2022: RM433.3 million).

## REVENUE



RM490.7 million  
(2022: RM433.3 million)

## PROFIT BEFORE TAX



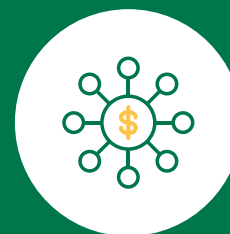
RM65.9 million  
(2022: RM45.2 million)

## PROFIT AFTER TAX



RM49.5 million  
(2022: RM37.0 million)

## DIVIDEND



5.50 sen  
(2022: 4.17 sen)

## FINANCIAL PERFORMANCE

In line with significantly improved revenue of RM490.7 million (2022: RM433.3 million), profit before tax in 2023 has increased by 46% to RM65.9 million (2022: RM45.2 million) due mainly to the much higher sales volume and better selling prices. Similarly, the profit after tax has also improved significantly by 34% to RM49.5 million (2022: RM37.0 million). Consequently, the net margin in 2023 has improved to 10.1% (2022: 8.5%), mainly due to higher sales volume, better selling prices, lower cost of raw materials and economies of scale.

## DIVIDEND

The Directors have proposed a first and final dividend of 5.50 sen per ordinary share, under the single tier system, in respect of the current financial year ended December 31, 2023. This proposed dividend of 5.50 sen represents a 32% increase from the 4.17 sen (6.25 sen per ordinary share, restated based on enlarged share capital after bonus issue) paid during the year in respect of the previous financial year ended December 31, 2022. The Company has a Dividend Policy which targets a dividend pay-out ratio of at least 35% of its audited consolidated profit after taxation attributable to shareholders for each financial year, after excluding non-operating income that is capital in nature.

This final dividend is subject to the approval of the shareholders by the Company at the forthcoming Annual General Meeting.

## INVESTMENT IN AN ASSOCIATED COMPANY

On December 23, 2022, our wholly owned subsidiary, Chuan Sin Sdn Bhd entered into a Share Subscription Agreement with The Tapping Tapir Sdn Bhd ("TTT"), a company incorporated in Malaysia to subscribe 42,861 ordinary shares, representing 30% of the entire issued share capital of TTT for a total consideration of RM2,251,958. The transaction was completed on January 3, 2023 and TTT became an associated company of the Group. The principal activity of TTT is manufacturing, producing and distribution of beverages, namely naturally flavoured sparkling sodas.

TTT contributed an amount of RM65,337 to the results of the Group in 2023.



# CHAIRMAN'S STATEMENT

## ACQUISITION OF LAND

During the year, we have also expanded the land bank of both our mineral water plants in Taiping and Yong Peng, by 6 acres each, with the acquisition of 4 pieces of land for a total consideration of RM2.6 million. As the end of the financial year, our two mineral water plants in Taiping and Yong Peng have land size of about 406 acres and 42 acres, respectively.

## BONUS ISSUE

During the year, we undertook a bonus issue of new ordinary shares of the Company on the basis of one bonus share for every two existing shares held with the intention to reward the existing shareholders of the Company in the form of bonus shares for their loyalty and continuing support.

All necessary approvals were duly obtained and a total of 106,438,018 bonus shares were issued on June 21, 2023, and thereafter were listed and quoted on Bursa Malaysia on June 22, 2023.

## PUTRA BRAND AWARDS 2023

Spritzer has been a regular winner of the Putra Brand Awards over the years. The Putra Brand Awards is the premier brand award in Malaysia and represents an honour that “money-cannot-buy” and awards its winners through public votes based on their favourite brands in the market.

We are delighted, honoured and proud that the Spritzer brand is once again named a gold winner in the beverage (non-alcoholic) category of the Putra Brand Awards 2023. To add to this significant achievement, our Managing Director, Dato Lim Kok Boon has also been conferred the Putra Brand Personality 2023. The prestigious title and the gold award are great recognition to Dato Lim Kok Boon and his team for their hard work, dedication and commitment in nurturing the Spritzer brand over the years, as the most preferred bottled water brand in Malaysia.

The Board congratulates Dato Lim Kok Boon and his dedicated team for their great efforts and achievements.

## PROSPECTS

The Malaysian economy is expected to grow by 4% – 5% in 2024 and to be mainly driven by continued improving domestic economic activities, healthy employment market and strong growth of tourism activities. The continuous government aid to the lower-income groups should support consumer spending. The relatively hotter weather environment would also underpin bottled water consumption. However, there remain much economic uncertainties and risks amid slow global economic growth, volatile domestic currency, inflationary pressure, elevated cost of living and higher input costs. The Group will continue to exercise caution in the conduct of our business activities and focusing on sustaining our business operations and strengthening 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 stronger 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 the improved performance of the Group.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

For Financial Year Ended December 31, 2023

## ECONOMIC OVERVIEW

The Malaysian economy grew moderately by 3.7% in 2023, following a robust expansion of 8.7% recorded in the previous year. The slower growth in 2023 is attributed to the weakness in the manufacturing and export-oriented sectors amid weak global demand. Moreover, escalating geopolitical conflicts, inflationary pressure and volatile currency exchange rates have added further strain. However, the robust domestic demand, firm labour market and improving tourism activities continued to support the overall economic growth.

Despite the less favourable economic conditions, the demand for our bottled water products has remained strong throughout the financial year ended December 31, 2023. Our revenue has improved strongly by 13% for the year ended December 31, 2023. The sales of our bottled water products have remained favourable mainly due to the robust demand, the strong recovery in tourism activities and the hot weather environment. Our innovative branding, marketing and promotional activities and our ability to cope with the surge in demand have also enabled us to deliver a strong performance for the year.

## BUSINESS AND OPERATIONS OVERVIEW

We are a pioneer and the industry leader with 35 years of manufacturing, branding, marketing and distribution excellence in the Malaysian bottled water industry. Our Group is principally involved in the manufacturing, marketing and distribution of a comprehensive range of bottled water products. With annual turnover of RM491 million and a market capitalisation of RM578.8 million as at December 31, 2023 (2022: RM463.7 million), our Group is the largest and most integrated bottled water producer in Malaysia with a commanding market share of above 40%. Our core brands are *Spritzer*, *Spritzer Sparkling*, *Spritzer Tinge*, *Spritzer So Tinge*, *Cactus*, *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 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. The Group has an annual production capacity of about 1 billion litres of bottled water as of December 31, 2023. 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 operating in Guangzhou, China which has, in April 2016, started its operations of selling and wholesale distribution of bottled water products in Guangzhou and other parts of China. The Group also exports its mineral water products under the brand name ACILIS by Spritzer to United Kingdom and Netherlands.

In January 2023, the Group has acquired a 30% interest in an associated company, The Tapping Tapir Sdn Bhd, a company principally involved in the manufacturing, producing and distribution of beverages, namely naturally flavoured sparkling sodas.

As of December 31, 2023, the Group has a workforce of 1,036 employees (2022: 960).

## STRATEGIC DIRECTION

Being the largest, most integrated and the leading bottled water company in Malaysia, we are committed to delivering to all our consumers of our high quality bottled water products with special focus on health benefits and at the same time, satisfying the sophisticated taste preference and the hydration needs of our consumers. We will continue to increase our product range to strengthen our leading position in the Malaysian bottled water industry. We will constantly improve our processes across our value chain and at the same time, improving our market coverage and sales volume. We will strive to improve our positions in the various markets where we are currently operating. We are also exploring business opportunities and investment in the beverage industry.

We are also actively exploring and have started introducing sustainable packaging alternatives for our Spritzer bottled water products. We also collaborate with other stakeholders to jointly manage packaging waste and improve collection and recycling rates for a greener Malaysia and a more sustainable, waste-reduced future.



# MANAGEMENT DISCUSSION AND ANALYSIS

For Financial Year Ended December 31, 2023

## FINANCIAL REVIEW

### Financial Highlights

	Financial year ended		Change	
	31.12.2023	31.12.2022	Amount	%
Revenue (RM'000)	490,675	433,300	57,375	13
Profit before taxation (RM'000)	65,924	45,200	20,724	46
Profit after taxation (RM'000)	49,486	36,965	12,521	34
Pre-tax margin (%)	13.4	10.4	3.0	
Net margin (%)	10.1	8.5	1.6	
Basic earnings per share (sen)	15.5	11.8	3.7	31
Diluted earnings per share (sen)	15.2	11.4	3.8	33
Dividend per share (sen)	5.50	4.17	1.33	32
Dividend payout ratio (%)	35	36	(1)	
Current ratio (time)	2.0	2.1	(0.1)	
Quick ratio (time)	1.6	1.6	-	
No. of shares in issue, less treasury shares ('000)	316,291	313,304	2,987	1
Total equity (RM'000)	527,031	493,480	33,551	7
Net debt to equity ratio (%)	3.3	-	3.3	
Total assets (RM'000)	687,910	600,954	86,956	14
Total liabilities (RM'000)	160,879	107,474	53,405	50
Net assets per share (RM)	1.67	1.58	0.09	6
Market capitalisation (RM'000)	578,813	463,690	115,123	25

Note: Certain comparative figures have been restated to incorporate the effect of the bonus issue of 1 bonus share for every 2 existing shares held, which has been completed in June 2023.

### Revenue, Results and Dividend

The Group recorded a new high in annual revenue of RM490.7 million in the financial year ended December 31, 2023, a significant increase of 13% from the previous year's revenue of RM433.3 million, mainly due to the increase in sales volume and better average selling price. Consequent to the higher revenue recorded and the lower raw material cost incurred, the profit before tax of the Group for the year ended December 31, 2023 was higher by 46% at RM65.9 million (2022: RM45.2 million) mainly due to economies of scale and favourable sales mix. Similarly, the profit after tax has also increased significantly by 34% to RM49.5 million (2022: RM37.0 million). In line with the higher earnings, the Group's earnings per share and diluted earnings per share for the year stood at 15.5 sen and 15.2 sen (2022: 11.8 sen and 11.4 sen) respectively.

The pre-tax profit margin has risen from 10.4% to 13.4% mainly due to higher sales, economies of scale, favourable sales mix and lower raw material cost in the current year. Similarly, the current year's net margin has also risen from 8.5% to 10.1%.

In line with our Dividend Policy which targets a dividend payout ratio of at least 35% of its audited consolidated profit after taxation attributable to shareholders for each financial year, and after considering the cash flow requirement of the Group, the directors have proposed a first and final dividend of 5.5 sen per ordinary share for the financial year ended December 31, 2023, which represents a 32% increase from the 4.17 sen (6.25 sen per ordinary share, restated based on enlarged share capital after bonus issue) paid during the year in respect of the previous financial year ended December 31, 2022. The current dividend payout ratio is at 35% (2022: 36%). The Company has been consistently making annual dividend payout since its shares were first listed in September 2000.

# MANAGEMENT DISCUSSION AND ANALYSIS

For Financial Year Ended December 31, 2023

## Cash Flow

	2023 RM'000	2022 RM'000
Net profit after adjusting for depreciation and other items	93,456	69,280
Working capital movements	(7,765)	(23,580)
Income tax and interest received	(6,325)	(4,959)
<b>Cash flow from operating activities</b>	<b>79,366</b>	<b>40,741</b>
Capital investment	(89,785)	(103,847)
Net investments in money market and fixed income funds	8,605	65,448
Subscription of shares in an associated company	(2,252)	-
Others	1,309	(406)
<b>Cash flow after investing activities</b>	<b>(2,757)</b>	<b>1,936</b>
Dividend paid	(13,303)	(9,449)
Purchase of own shares	(4,941)	(2,234)
Net proceeds from revolving credits and bankers' acceptance	32,048	10,606
Others	(2,440)	(1,192)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,607</b>	<b>(333)</b>

The Group's cash flow has remained healthy as we continued to generate positive cash flow from our business activities. In year 2023, the Group generated a net cash of RM79.4 million (2022: RM40.7 million) from its operating activities. Our net earnings continued to be supported by a corresponding operating cash flow. The cash outflow for the purchase of plant, property and equipment in 2023 amounted to RM89.8 million (2022: RM103.8 million) which included the payment for the purchase of land in Taiping and Yong Peng, construction of warehouses in Shah Alam and Yong Peng, purchase of motor vehicles, and also the payments of two new production lines. To broaden our range of beverage products, the Group has also acquired a 30% interest in an associated company, The Tapping Tapir Sdn Bhd, a company principally involve in the manufacturing and distribution of naturally flavoured sparkling sodas, at a cost of RM2.3 million in January 2023.

The Company has paid the first and final dividend of 6.25 sen per share in respect of the financial year ended December 31, 2022, amounting to RM13.3 million to its shareholders on June 23, 2023. During the year, the Company also spent RM4.9 million (2022: RM2.2 million) for purchasing 2,985,900 units of its own shares. Despite the substantial cash outflow for the purchase of property, plant and equipment, the Group was able to sustain its net cash position for the first nine months of the year. As of December 31, 2023, the Group's net debt to equity ratio stood at 3.3%.

## Financial Position and Gearing

The financial position of the Group has remained strong with the higher net earnings of RM49.5 million recorded during the year. Our total assets have increased by RM87.0 million or 14% from RM601.0 million on December 31, 2022 to RM687.9 million on December 31, 2023. Our total liabilities have increased by RM53.4 million or 50% from RM107.5 million on December 31, 2022 to RM160.9 million on December 31, 2023. The Group's ability to meet its short term financial and debt obligations has remained strong. As of December 31, 2023, the current ratio was high at 2.0 times (2022: 2.1 times) and with a comfortable the quick ratio of 1.6 times (2022: 1.6 times). Throughout the first nine months of the year, the Group were in a net cash position. As of December 31, 2023, the Group's net debt to equity ratio stood at 3.3%.



# MANAGEMENT DISCUSSION AND ANALYSIS

For Financial Year Ended December 31, 2023

## Total Equity and Market Capitalisation

Resulting from the total comprehensive income of RM48.7 million generated during the year, the recognition of the share-based payment of RM3.1 million, after the paying the dividend of RM13.3 million and spending RM4.9 million on purchase of own shares, our total equity has increased by RM33.5 million or 7% from RM493.5 million on December 31, 2022 to RM527.0 million on December 31, 2023. As of December 31, 2023, the net asset value per share stood at RM1.67 (2022: RM1.58).

The Company's issued capital has been increased to 212,876,127 unit of shares after the issuance of 2,883,400 new ordinary shares in January 2023 to eligible directors and employees pursuant to the vesting of shares under the Share Grant Plan of the Group. In June 2023, the Company has issued a total of 106,438,018 bonus shares pursuant to the Bonus Issue of New Ordinary Shares in the Company on the basis of 1 bonus share for every 2 existing shares held. As of December 31, 2023, the total number of ordinary shares (net of 3,022,800 treasury shares) in issue and fully paid was 316,291,345 units.

As of December 31, 2023, the Company's market capitalisation has increased by 25% to RM578.8 million from RM463.7 million a year ago, with a market price per share of RM1.83 (2022: RM1.48).

## RISKS

The Group is sensitive to various risks such as pandemic risk, macroeconomic risk, regulatory 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.

### 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 procedures, external rules and regulations, and good practices. We invest in and focus on effective communication, image and brand building. We are also mindful of the emergence of certain brand boycott activities in Malaysia.

### 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, regulatory risk, fraud and corruption risks, flood 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 and effectiveness 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.

The awards and recognitions received by us in year 2023 include the following:

The Superior Taste Award 2023 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

For Financial Year Ended December 31, 2023

Trusted Brand 2023 Platinum Award to Spritzer brand and Trusted Brand 2023 Gold Award to Cactus Brand by Reader's Digest. This is the 22<sup>nd</sup> consecutive year that Spritzer has won this award. Our Cactus brand has also for the 10th 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 2023, Beverage – Non-alcoholic, Gold winner. This is the 9th time that Spritzer has won the Putra award. The Putra Brand Awards, an initiative of 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 consumers nationwide, making it the largest brand research sampling of its kind and the most prestigious consumer award in the country.

Also in the same Putra Brand Awards 2023, our Managing Director, Dato Lim Kok Boon has been named the Putra Brand Personality 2023. Our warmest congratulations to Dato Lim Kok Boon for this great achievement and we thank Dato for his leadership and guidance in nurturing the Spritzer Brand to become a household name in Malaysia.

Brand of the year 2023 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.

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## PROSPECTS

The Malaysian economy is expected to moderate and expected to grow by 4% – 5% in 2024 amid slower global growth and to be mainly driven by continued domestic demand, improving labour market conditions and higher tourism activities. Business activities and consumer consumption are expected to sustain with downside risks emanating from elevated costs, volatile currency exchange rates and inflationary pressures. The Group will continue to exercise caution in the conduct of its business activities and remain focus on improving operational efficiency and excellence.

We will continue to invest in our core brands and further automate and enhance our production processes and capacity. We will also enhance our extended producer responsibility initiatives. We will progressively increase the content of recycled PET in the manufacture of our Spritzer bottles and continue to introduce sustainable packaging alternatives for our bottled water products.

We are also encouraged by the growth of Spritzer Sparkling and carbonated mineral water products. The new Spritzer Icon bottle has also been well received by the on-trade or HORECA (hotel, restaurant, café) channel, giving Spritzer another good growth channel.

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 markets. 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 and the stiff competition in the marketplace.

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



# SUSTAINABILITY STATEMENT



## CHAPTER 1: SUSTAINABILITY STATEMENT

### **Elevating Sustainability: A Visionary Journey in 2023**

As Spritzer Bhd, a name synonymous with excellence in the mineral water industry in Malaysia, we are excited to present our Sustainability Statement for the financial year ended December 31, 2023. This document is not just a statement; it's a testament to our innovative spirit and unwavering commitment to sustainability, which is integral to our corporate identity. In this transformative year, we have reimagined and redefined sustainability, setting new industry standards.

### **Accentuating Sustainability: Beyond the Norm**

In 2023, Spritzer has transcended traditional sustainability models, embracing innovative and forward-thinking practices that permeate every aspect of our operations. Our approach is holistic and proactive, tackling key sustainability issues identified through an extensive materiality assessment. This ensures that our efforts in sustainability are impactful and align with the evolving expectations of our stakeholders.

### **Decoding ESG**

ESG ("Environmental, Social, and Governance") is the cornerstone of sustainable development. At Spritzer, ESG is more than a framework; it's the driving force behind our commitment to a sustainable future.

### **Revolutionising Understanding: A New Paradigm of Reporting**

This year marks a revolution in our reporting standards, adopting a cutting-edge approach that provides an in-depth and transparent view of our sustainability journey. Measuring our performance against meticulously selected non-financial indicators, we offer a detailed perspective of our sustainability initiatives, celebrating our successes and recognising areas for growth.

# SUSTAINABILITY STATEMENT

## Persistent Dedication: A Declaration of Excellence

Our pledge made in 2021 to achieve long-term sustainability remains the nexus of our mission. We are dedicated to a future that is carbon-neutral, socially responsible, and inclusive, ensuring our water products are not only desirable but also embody sustainability. These commitments are deeply embedded in our corporate ethos.

## Leading with Purpose: Setting New Standards

As we continue our journey to be Malaysia’s most sustainable bottled water manufacturer, we focus on natural mineral water production. Our business strategies and policies across subsidiaries are in complete alignment with our overarching sustainability goals, ensuring a positive and long-lasting impact on the community and the environment.

## Compliance and Alignment: Adhering to Global Standards

Our Sustainability Statement is prepared in strict adherence to the guidelines issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”), aligning with global sustainability standards, including the UN Sustainable Development Goals (“UN SDGs”).

Table 1 - Frameworks and guidelines

Reporting Period	January 1, 2023 – December 31, 2023
Reporting Framework & Guidelines	<ul style="list-style-type: none"> <li>• Bursa Malaysia: Sustainability Reporting Guide and Toolkits</li> <li>• Securities Commission: Malaysian Code on Corporate Governance</li> <li>• Global Reporting Initiative (“GRI”) Standards</li> <li>• United Nations (“UN”) Sustainable Development Goals (“SDGs”)</li> <li>• Twelfth Malaysia Plan (“12MP”)</li> <li>• Illustrative Sustainability Reporting, Bursa Malaysia</li> </ul>

This table demonstrates the comprehensive range of frameworks guiding our enhanced sustainability reporting.

## Breadth and Frontiers of Our Pursuits

The table presented below provides a comprehensive illustration of the diverse entities encompassed within this report. These entities represent the subsidiaries of Spritzer, each playing a pivotal role in our Group’s key business operations. In alignment with Spritzer’s focus on sustainable operations, our inclusion criteria are rigorous, yet encompassing, with minimal exclusions. Notably, the processes involved in bottled water production are integral to our evaluation of Spritzer’s overall sustainability performance. This report encompasses all Malaysian subsidiaries under Spritzer Bhd, ensuring a holistic representation of our sustainability efforts across the Group.

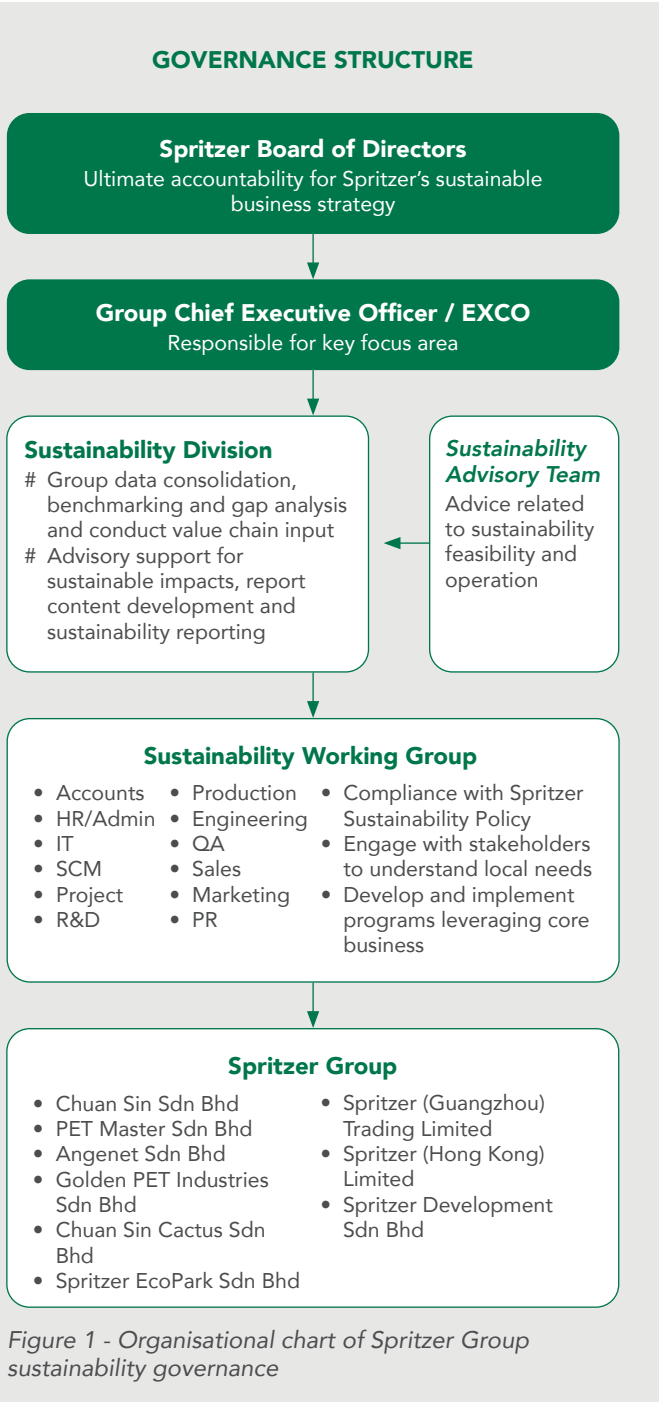
Table 2 - Breadth and frontiers of our pursuits

Business Segment	Business Activity	Entities
Manufacturing	Natural mineral water, carbonated flavoured water, distilled water, drinking water, non carbonated flavoured water, preforms & bottles made of polyethylene terephthalate (“PET”), caps, toothbrushes & other plastic products	<ul style="list-style-type: none"> <li>• Chuan Sin Sdn Bhd</li> <li>• PET Master Sdn Bhd</li> <li>• Angenet Sdn Bhd</li> <li>• Golden PET Industries Sdn Bhd</li> <li>• Chuan Sin Cactus Sdn Bhd</li> <li>• Spritzer EcoPark Sdn Bhd</li> </ul>
Trading	Bottled water & other consumer products	<ul style="list-style-type: none"> <li>• Spritzer Development Sdn Bhd</li> </ul>
Others	Mini golf course and recreational park, investment & properties holding and dormant	



# SUSTAINABILITY STATEMENT

## CHAPTER 2: SUSTAINABILITY GOVERNANCE



The Board of Directors (“BODs”) of Spritzer Bhd is deeply committed to upholding and nurturing a culture of robust, ethical corporate governance. They recognise that such a commitment is not just a responsibility, but a cornerstone of their business philosophy.

Spritzer’s ethos is deeply rooted in sustainability, which is not merely a practice but a fundamental aspect of its corporate identity. The BOD at Spritzer Bhd holds sustainability in high regard, viewing environmental and social factors as integral components of strategic development. This perspective shapes the company’s long-term aspiration in business strategies, ensuring they are consistently aligned with principles of sustainability. The BOD exercises ultimate oversight over all sustainability-related matters, reflecting their commitment to integrating these values into every facet of the company’s operations.

In a significant move to reinforce this commitment, Spritzer established a dedicated Sustainability Division in 2020. This division plays a critical role in advising the management, including the Executive Committee (“EXCO”) and the Board, particularly in formulating and advancing deliberate strategies aimed at enhancing the Group’s performance in terms of the Environment, Social and Governance (“ESG”) aspects. This strategic approach underlines Spritzer’s determination to lead in sustainability efforts, ensuring they are not just compliant but pioneering in their field.

The organisational structure for sustainability at Spritzer is both comprehensive and collaborative. The hierarchy commences with the BOD, extends through the Group Chief Executive Officer and the Executive Committee, and culminates in the Sustainability Advisory Team, followed by the Sustainability Division. The EXCO plays a pivotal role in this structure, overseeing and ensuring that the Group’s sustainability practices, methodologies, and outcomes are congruent with the established ESG criteria. This committee is the guardian of sustainability within the organisation, ensuring that these practices are not only upheld but continuously improved.

The Sustainability Division acts as a nexus, gathering sustainability-related initiatives and data from various subsidiaries, departments, and units. This division meticulously reviews this information and presents it to the EXCO, forming a critical feedback loop that ensures continuous improvement and alignment with sustainability goals. When necessary, significant or pressing sustainability issues are escalated from the EXCO to the Board, ensuring that top-level decision-makers are always informed and engaged in the sustainability journey.

Authorised and empowered by the Board, the Sustainability Division is charged with the management and execution of both internal and external sustainability initiatives. This division is not just a regulatory body within the company; it is the driving force behind ensuring that Spritzer not only meets but exceeds its sustainability objectives. This structure demonstrates Spritzer’s steadfast commitment to sustainability, showcasing how it is ingrained in every level of the organisation and forms the backbone of its operational ethos.

# SUSTAINABILITY STATEMENT

## Roles and Responsibilities

Table 3 - Roles and responsibilities of Spritzer Group sustainability governance

<b>Board of Directors ("BOD")</b>	The Board exercises supreme authority in shaping and approving policy amendments and strategic directions for the Group. It plays a pivotal role in endorsing and supervising the efforts of the Sustainability Unit, focusing on stakeholder value creation and ensuring alignment with our overarching sustainability commitments.
<b>Group Chief Executive Officer ("GCEO")</b>	As an integral member of the Board, the GCEO is instrumental in initiating, guiding, and implementing the Board's sustainability vision and goals. This role involves steering the Group towards realising its sustainability agenda, ensuring that strategies are not only envisioned but effectively put into action.
<b>Executive Committee ("EXCO")</b>	Tasked with the critical role of identifying, overseeing, and tracking the progress of sustainability strategies, the EXCO ensures that these initiatives are seamlessly integrated across all Group policies and operations. This committee plays a crucial part in translating sustainability objectives into tangible plans and measurable outcomes.
<b>Sustainability Advisory Team</b>	This specialised team advises the sustainability division, providing expert insights into the practicality and implementation of long-term sustainability initiatives. Their role is central to assessing the feasibility and impact of proposed sustainability strategies, ensuring that they are both viable and effective.
<b>Sustainability Division</b>	At the core of our sustainability efforts, this division is responsible for managing and executing all aspects of sustainability reporting and initiatives within Spritzer. They ensure that our sustainability practices are transparent, consistent, and align with our commitment to social and environmental responsibility.

## CHAPTER 3: STAKEHOLDER ENGAGEMENT

### Enhanced Stakeholder Engagement and Sustainability Matters

Our stakeholder engagement strategy, a cornerstone of our approach to sustainability, has been instrumental in effectively addressing and managing material sustainability matters. Through proactive and regular engagement, we have cultivated invaluable insights, enabling us to finely tune our sustainability efforts to meet stakeholder priorities and foster continuous value creation. The updated engagement channels and focus areas for each stakeholder group reflect our adaptive strategies and commitment to effective, meaningful dialogue.

Table 4 - Categorisation of Spritzer's Stakeholders

Type of Stakeholders	Engagement Channel	Focus Area
Board of Directors	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Annual General Meeting ("AGM")</li> <li>• Corporate/Group events</li> <li>• Email correspondences</li> <li>• Conference calls</li> <li>• Stakeholder Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Environmental practices</li> <li>• Human capital management</li> <li>• Corporate governance</li> <li>• Corporate strategy</li> <li>• Quality of products &amp; services</li> <li>• Business development/partnerships</li> <li>• Societal contributions</li> </ul>
Government/Regulatory	<ul style="list-style-type: none"> <li>• Site visit</li> <li>• Inspections</li> <li>• Conferences</li> <li>• Ad-hoc invitations</li> <li>• Programs organised by the authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Compliance with applicable laws/regulatory requirements</li> <li>• Information security</li> </ul>

# SUSTAINABILITY STATEMENT

Type of Stakeholders	Engagement Channel	Focus Area
Customers	<ul style="list-style-type: none"> <li>• Official website</li> <li>• Social media platforms</li> <li>• Conventional telecommunication</li> <li>• Customer Satisfaction Surveys</li> <li>• Conferences/Roadshows/Exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of products &amp; services</li> <li>• Environmental practices</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Group memos</li> <li>• Email correspondences</li> <li>• Recreational events</li> <li>• Meetings/Briefings</li> <li>• Social media platforms</li> <li>• Training programs</li> <li>• Stakeholder Engagement Surveys</li> <li>• Annual employee performance discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational safety &amp; health</li> <li>• Fair remuneration</li> <li>• Fair employment practice</li> <li>• Training &amp; development</li> <li>• Diversity &amp; inclusion</li> <li>• Information security</li> <li>• Career development</li> <li>• Societal contributions</li> <li>• Environmental practices</li> <li>• Financial performance</li> </ul>
Suppliers/Vendors	<ul style="list-style-type: none"> <li>• One-to-one meeting</li> <li>• Periodic performance evaluation</li> <li>• Conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Agreeable contracts</li> <li>• Terms of payments</li> <li>• Business development/partnerships</li> <li>• Corporate governance</li> </ul>
Media/Analysts	<ul style="list-style-type: none"> <li>• Meetings/Briefings</li> <li>• Press releases/Conferences</li> <li>• Media releases/Interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Open &amp; transparent communication</li> <li>• Environmental practices</li> <li>• Corporate strategy</li> <li>• Human rights</li> <li>• Future business aspirations</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>• Ongoing meetings</li> <li>• Conference calls</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of products &amp; services</li> <li>• Production capacity</li> <li>• Open &amp; transparent communication</li> <li>• Business development/partnerships</li> <li>• Collaboration &amp; market synergy</li> </ul>
Investors/Shareholders	<ul style="list-style-type: none"> <li>• Annual General Meeting (“AGM”)</li> <li>• Official website</li> <li>• Media releases</li> <li>• Investor relations</li> <li>• Public announcements</li> <li>• Ad-hoc discussion sessions</li> <li>• Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Human rights</li> <li>• Corporate governance</li> <li>• Quality of products &amp; services</li> <li>• Societal contributions</li> <li>• Open &amp; transparent communication</li> </ul>
Industries associations/ Trade Unions/Professional Bodies	<ul style="list-style-type: none"> <li>• Official website</li> <li>• Group discussions</li> <li>• Conferences/Roadshows/Exhibitions</li> <li>• Public announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of products &amp; services</li> <li>• Business development/partnerships</li> <li>• Collaboration &amp; market synergy</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>• Community development programs</li> <li>• Conferences/Roadshows/Exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>• Societal contributions</li> <li>• Environmental practices</li> </ul>
Non-Governmental Organisation (“NGOs”)	<ul style="list-style-type: none"> <li>• Meetings/Discussions</li> <li>• Site visits</li> <li>• Conferences/Roadshows/Exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>• Societal contributions</li> <li>• Environmental practices</li> </ul>

# SUSTAINABILITY STATEMENT

## CHAPTER 4: SUSTAINABILITY FRAMEWORK

Spritzer Bhd has meticulously refined its sustainability framework to align seamlessly with our strategic business objectives, echoing our vision and mission. Our comprehensive approach is a testament to our unwavering dedication to addressing stakeholder expectations, minimising our ecological footprint, and fostering a positive influence within the communities we touch. Our focused areas of commitment include:

- **Upholding Excellence in Service:** We consistently aim to exceed service quality benchmarks, enhancing customer satisfaction and loyalty.
- **Ensuring a Responsible Supply Chain:** We maintain high ethical, environmental, and quality standards through rigorous supplier selection and management.
- **Empowering Our Employees and Communities:** By investing in skill development and community programs, we catalyse robust growth and vibrant well-being.
- **Demonstrating Environmental Stewardship:** Our initiatives range from reducing emissions to implementing sustainable resource management practices.



Figure 2 – Spritzer’s pillars and materiality matters

Spritzer Bhd is steadfast in our commitment to these areas, continuously evaluating and improving our sustainability practices to ensure that our business growth is not only responsible but also creates value for all stakeholders. We recognise that our success is intertwined with the well-being of our customers, employees, communities, and the environment. Through our dedicated efforts, we aim to make a positive impact that resonates across all these groups, ensuring that the benefits of our growth are shared and contribute to a sustainable future. This approach not only aligns with the UN SDGs but also reflects our deep commitment to sustainable development and corporate responsibility.





# SUSTAINABILITY STATEMENT

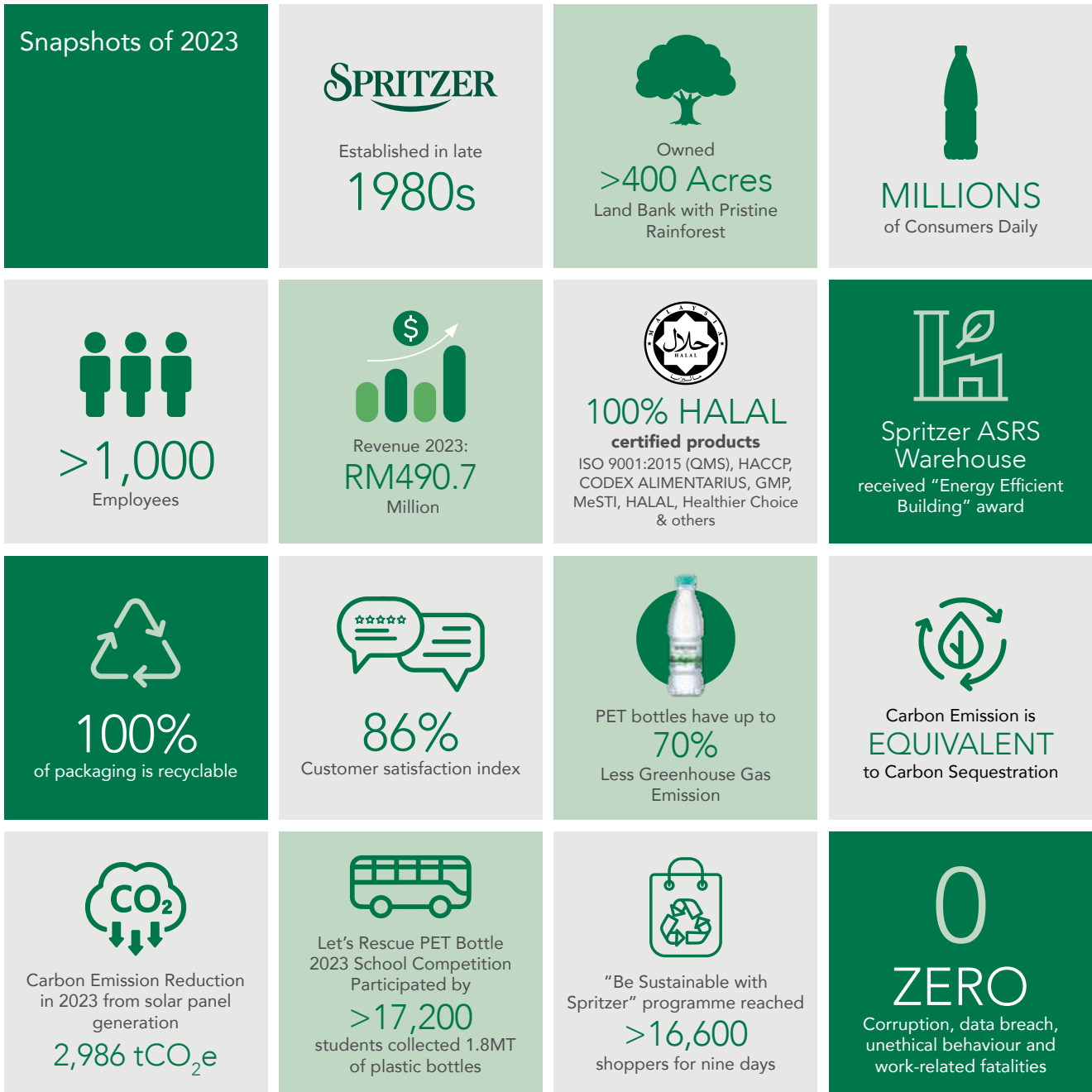


Figure 3 - Spritzer highlights based on economic, environmental, and social aspects.

In the 2023 annual report, Spritzer, Malaysia's leading mineral water brand, highlighted its sustainable initiatives. The Group continues to protect and expand its over 400-acre land bank in the Bukit Larut foothills in Taiping, Perak, ensuring the preservation of natural mineral water sources. Emphasising efficiency, Spritzer's state-of-the-art and highly automated production process maintains an annual capacity of one billion litres of bottled water as of December 31, 2023. These efforts demonstrate Spritzer's commitment to sustainable growth, balancing high-quality water production with environmental stewardship, and reinforcing its position as a leader in the mineral water industry.

# SUSTAINABILITY STATEMENT

## CHAPTER 5: SUSTAINABILITY JOURNEY OF SPRITZER

### *Spritzer Sustainability Milestone*

Since its inception, Spritzer's sustainability journey has seen tremendous developments and milestones over the years.

#### **2018:**



- The initiation of Spritzer's Sustainability Statement was a crucial starting point, marking our unwavering commitment to sustainable practices in annual report.

#### **2019:**



- Spritzer introduced 'Acilis by Spritzer', a mineral water product made from 30% plant-based materials, a pioneering initiative in Malaysia.
- The launch of 'Spritzer RO Tetra Pak Drinking Water' showcased our commitment to sustainable packaging, with 100% recyclable materials.

#### **2020:**



- The establishment of the Sustainability Unit marked a strategic move to bolster Spritzer's sustainability efforts, aligning them with the Sustainable Development Goals ("SDGs").

#### **2021:**



- Spritzer aligned their sustainability materials and initiatives more closely with the SDGs, ensuring a robust and pragmatic approach to sustainability.

#### **2022:**



- The launch of the 100% recyclable natural mineral water bottle under the 'New Look New Purpose' theme demonstrated a significant step in sustainable packaging.
- Spritzer also acquired additional land to preserve the Spritzer Forest, emphasising their commitment to environmental conservation.

#### **2023:**



- Introduced label-free, 100% recyclable bottles for their silica-rich Natural Mineral Water, emphasising the reduction of plastic use and minimising environmental impact.
- National and ASEAN Energy Awards for Spritzer's Automated Storage and Retrieval System ("ASRS") warehouse, a testament to our dedication to sustainability and eco innovation. This warehouse operates entirely on energy derived from solar and other renewable sources, contributing to Spritzer's goal of achieving carbon neutral status by 2030.
- Spritzer was also recognised as "Taiping, Home of Spritzer" by Tourism Perak, a testament to our deep commitment to sustainability and community development.
- On 34th anniversary, Spritzer reinforced their commitment to environmental stewardship, focusing on eco-friendly packaging and recycled plastics. The Company owns over 400-acre rainforest landbank in Taiping, Perak, from which we extract silica-rich mineral water.

#### **2024-2030:**



- The implementation of the Sustainability Roadmap, monitoring of Sustainability Performances, regular Sustainability reporting, and the initiation of various Sustainability initiatives, both internally and externally, are planned.

# SUSTAINABILITY STATEMENT

## CHAPTER 6: MATERIALITY ASSESSMENT

Spritzer Bhd reaffirms its commitment to sustainability and the creation of shared value through an enhanced materiality determination process. This refined approach is built on a foundation of understanding and prioritising issues that hold critical importance to our stakeholders and are pertinent to our sustainability journey. By integrating stakeholder insights with an analysis of prevailing issues, values, and trends, we have updated our sustainability material matters, ensuring our strategic efforts are both relevant and aligned with our industry's evolving landscape and our overarching vision.

### Evolution of Material Matters

Reflecting on our journey, we initially identified 15 critical issues in 2018, which were later streamlined into 11 cohesive matters based on related themes. The 2021 reassessment documented in our annual report was pivotal in ensuring these matters remained aligned with current business trends and stakeholder expectations. The 2022 reassessment marked a significant phase in our materiality determination process. Informed by comprehensive inputs from both internal and external stakeholders, this phase led to a revised set of sustainability matters, signalling our responsiveness to the dynamic nature of our operating environment and strategic direction.



Figure 4 - The process of materiality assessment conducted in 2022

### 2022 Materiality Assessment Process: A Comprehensive Analysis

Our materiality assessment process, in alignment with Bursa Malaysia's Sustainability Reporting Guidelines, underscores our commitment to identifying critical sustainability matters that resonate with Spritzer's vision and the UN SDGs. This process plays a crucial role in shaping our sustainability strategic planning, focusing on the identification and prioritisation of economic, environmental, and social issues that significantly impact our operations and influence stakeholder decision-making.

The outcomes of the 2022 materiality survey, meticulously plotted against Bursa Malaysia's guidelines, brought to light the significant matters of Employee Well-being, Cradle to Gate, Gate to Cradle, and Good Governance Practices. These findings not only reaffirm the relevance of the previously identified material matters but also highlight their paramount importance to Spritzer Bhd's sustainability objectives, emphasising the need for continued focus and strategic alignment in these areas.

### Spritzer's Sustainability Materiality Assessment 2022



Figure 5 – Matrix of materiality matters

# SUSTAINABILITY STATEMENT

## Alignment with UN Sustainability Development Goals

Our revised mapping of Sustainability Material Matters against the UN SDGs represents a strategic alignment with our stakeholders' current views and concerns. Focusing on the high-priority pillars of **Cradle to Gate, Gate to Cradle, Good Governance Practices, and Employee Well-being**, we ensure that our sustainability efforts are not only focused and impactful but also highly relevant to both our business objectives and our stakeholders' expectations.

## Way Forward

In 2023, our enhanced materiality assessment and stakeholder engagement strategies reflect our deep-seated commitment to sustainability and the creation of shared value. By maintaining an ongoing dialogue with our stakeholders and continually reassessing our material sustainability matters, we position ourselves to respond adeptly to evolving trends, expectations, and opportunities. Spritzer Bhd is wholeheartedly dedicated to upholding transparency, fostering strong relationships, and making informed decisions that not only benefit our stakeholders but also bolster our sustainable business practices.

## CHAPTER 7: RISK MANAGEMENT

Our Enterprise Risk Management ("ERM") framework remains central to our governance strategy, facilitating regular reviews, reporting, and improvements in our risk management efforts. This year, we have further refined our ERM processes to increase efficiency, transparency, and alignment with emerging risks and opportunities, ensuring that our risk management infrastructure is both robust and adaptable.

The Group's EXCO, led by the Group Chief Executive Officer and comprising senior management members, including the Group Financial Controller, continues to provide critical direction and counsel to our risk management processes. In 2023, EXCO has taken enhanced roles in evaluating and strengthening the structure of the Group's risk management processes and support systems. Their involvement extends to reviewing and approving mitigation strategies for key risks and offering the Board comprehensive advice on risk-related matters, ensuring strategic alignment and informed decision-making.

Our ERM framework is at the core of our strategic planning and decision-making processes. It is designed to provide a holistic view of all potential risks facing our organisation, including:

- **Corporate Risks:** Risks associated with governance, legal compliance, and strategic decisions.
- **Financial Risks:** Risks related to market changes, currency fluctuations, and financial reporting.
- **Operational Risks:** Risks stemming from day-to-day operational activities, including supply chain disruptions and production inefficiencies.
- **Sustainability and Climate-related Risks:** Risks arising from environmental impact, climate change, and sustainability practices.

By integrating these diverse risk categories, we ensure a comprehensive risk management approach that supports our sustainability objectives and long-term corporate goals.

Table 5 - Enterprise Risk Management framework

Category	Risks	Opportunities
<b>Economic Performance</b>	Weak financial results can jeopardise the ongoing viability of the business and diminish potential investment prospects.	Maintaining a financially sustainable model is key to attracting investment and providing long-term value to our stakeholders.
<b>Anti-Corruption</b>	Poor corporate governance practices may tarnish Spritzer Bhd's reputation and image.	Adherence to robust corporate governance practices elevates Spritzer Bhd's reputation for reliability and trustworthiness with stakeholders.
<b>Health &amp; Safety</b>	Workplace accidents and injuries result in decreased productivity, potential legal consequences including fines, and harm to the organisation's reputation.	Spritzer Bhd's emphasis on a robust safety culture and a supportive work environment not only boosts employee well-being and efficiency but also upholds our esteemed reputation.

# SUSTAINABILITY STATEMENT

Category	Risks	Opportunities
<b>Cybersecurity &amp; Data Protection</b>	Exposure to cyber threats, such as customer data breaches, may erode trust among customers and lead to reputational harm for the company.	Spritzer Bhd's strong focus on advanced cybersecurity and enhanced data management ensures the safeguarding of vital customer information, thus preserving customer confidence.
<b>Climate Change</b>	Failure to adhere to established and evolving climate regulations can result in significant financial regulation.	Strategically position us in the eco-friendly solutions sector to take advantage of the escalating demand for low-carbon offerings. Proactive risk management supports ongoing business stability.
	Insufficient measures in climate adaptation and mitigation can lead to damage of physical assets, financial losses, and disruptions in business operations.	Implementing effective resilience and adaptation measures secures the continuous functioning of business activities.
<b>Customer Satisfaction</b>	Failure to fulfil customer expectations may lead to a decline in their trust and loyalty, negatively impacting revenue streams.	Regular dialogues with customers are key to continuously evolving and meeting their expectations.
<b>Employee Management</b>	A workforce that is not fully engaged or adequately developed often results in reduced productivity and subpar performance.	Dynamic employee upskilling and appealing benefits schemes are key to attracting and keeping top-tier industry experts, contributing significantly to our culture of peak performance.
<b>Diversity, Equity &amp; Inclusion</b>	Discriminatory practices in the workplace could lead to severe reputational damage for Spritzer Bhd.	Fostering a culture that embraces diversity, inclusiveness, and employee empowerment attracts skilled professionals and broadens the spectrum of viewpoints, thereby improving decision quality.
<b>Human Rights</b>	Violations of human rights practices can result in regulatory fines, negatively affect employee retention and workplace culture, and harm the company's reputation.	Spritzer Bhd's commitment to robust human rights policies bolsters its stature as an ethical and responsible employer.
<b>Supply Chain Management</b>	Operational continuity is at risk when suppliers and contractors do not align with established ethical principles and safety practices.	Robust procurement policies, complete with consistent environmental and social audits of suppliers, attract and maintain relationships with skilled and reliable contractors, showcasing our dedication to maintaining high environmental and social standards.
<b>Waste Management</b>	Non-compliance with environmental laws may result in legal repercussions from authorities and heightened attention from environmental advocacy groups.	Minimising waste and enhancing resource utilisation can lead to significant operational cost reductions.
<b>Community Investment</b>	Business practices that adversely affect local communities can jeopardise Spritzer Bhd's social license to operate.	Regular engagements through community impact programs strengthen our relationship with local communities.
<b>Water Management</b>	Ineffective water management can result in escalating costs and the risk of water scarcity.	Implementing effective water management strategies can lead to decreased operational expenses while encouraging behaviours that conserve water resources



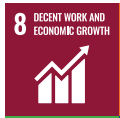
# SUSTAINABILITY STATEMENT

## CHAPTER 8: MANAGEMENT APPROACH FOR MATERIAL MATTERS

### 1.0 ECONOMIC PERFORMANCE

GRI 201-1

#### Related UN SDGs:



Spritzer Bhd's commitment to solid financial performance is crucial in supporting the creation of long-term value and advancing our group's sustainability agenda. We are deeply conscious of our role in generating meaningful employment opportunities and fostering economic growth in the communities where we operate. Our overarching goal is to ensure the long-term resilience and sustainability of our business. This is achieved by leveraging our assets effectively and equitably distributing the wealth we generate to our stakeholders, thereby contributing to a cycle of sustainable development and prosperity.

#### OUR PERFORMANCE:

Indicator	Unit	2021	2022	2023
<b>Economic Performance</b>				
<i>Economic value generated (i.e., revenue and other income)</i>	RM'000	332,999	438,332	494,303
<i>Economic value distributed (i.e., operating costs, employee wages and benefits, payments to providers of capital, payment to government, and community investments)</i>	RM'000	314,836	409,076	450,939
Economic value retained	RM'000	18,163	29,256	43,364

### 2.0 ANTI-CORRUPTION

GRI 205-3

GRI 205-2

GRI 205-1

#### Related UN SDGs:



Spritzer Bhd's anti-corruption framework is a comprehensive strategy reflecting the company's commitment to sustainable and ethical business practices. Central to this framework is the annual ethical pledge, where each employee reaffirms their commitment to the company's ethical standards. This practice reinforces the anti-corruption ethos throughout the organisation and keeps these principles vibrant in the company's culture.

Another key component of Spritzer Bhd's anti-corruption framework is its Whistleblower Policy, which plays a crucial role in fostering an atmosphere of transparency and accountability. By empowering employees to report any suspected corrupt practices without fear of retaliation, the policy ensures that integrity remains central to the company's operational ethos, further strengthening its ethical foundation.

Finally, the principle of continuous improvement underpins Spritzer Bhd's anti-corruption efforts. The company is dedicated to regularly reviewing and enhancing its anti-corruption strategies, policies, and procedures. This commitment to ongoing improvement ensures that Spritzer Bhd not only adheres to current ethical standards but also proactively adapts and responds to emerging challenges and best practices in corporate governance.

# SUSTAINABILITY STATEMENT

## OUR PERFORMANCE:

	2021	2022	2023
<b>Bursa C1(b) Percentage of operations assessed for corruption-related risks</b>	-	-	-

Although no operations have been assessed for corruption risks to date, Spritzer Bhd will develop a comprehensive risk assessment framework. This framework will be applied across all operations to identify, evaluate, and mitigate potential corruption risks.

	2021	2022	2023
<b>Bursa C1(c) Confirmed incidents of corruption and action taken</b>	-	-	-



Our comprehensive data underscores this achievement, with zero confirmed incidents of corruption. This has been largely attributed to our rigorous approach to education, training, and awareness initiatives that permeate all levels of the company. By equipping our employees with the necessary knowledge and skills through consistent anti-corruption training, we have managed to foster an environment where ethical practices are deeply embedded, and potential risks are identified and mitigated before they can manifest into corrupt actions. This proactive educational stance has been instrumental in maintaining our impeccable record of corruption cases.

Spritzer Bhd is determined to elevate its anti-corruption measures by initiating a comprehensive risk assessment framework to scrutinise all operations for corruption risks, reinforcing its risk management through regular audits and regularly review whistleblower policy. The company will amplify its commitment to anti-corruption through continuous training for all staff levels, with a focus on high-risk areas, and will enhance transparency by reporting risk assessments and corruption incidents. Engaging with stakeholders for valuable insights, Spritzer Bhd is poised to reinforce its ethical standing and assure transparent business practices.

## 3.0 HEALTH AND SAFETY

GRI 403-9   GRI 403-5   GRI 403-4   GRI 403-1

**Related UN SDGs:**

The safety and well-being of our employees are fundamental to the success and enduring presence of our organisation. Our all-encompassing approach to occupational health and safety mirrors our dedication to the core tenets of sustainability. This commitment extends beyond environmental care to include the guarantee of a secure and healthful work setting for every member of our workforce.

The importance of health and safety transcends regulatory compliance; it is a moral imperative and a strategic investment. A safe workforce is a motivated and productive workforce. By prioritising the health and safety of our employees, we not only enhance their quality of life but also ensure operational efficiency and resilience. Our employees are the bedrock of our business, and by protecting them, we fortify the foundation of our company.

Recognising the integral role of a safe and healthy workplace in sustainable business operations, we are dedicated to upholding the highest standards of Environment, Safety, and Health (“ESH”) management.

**Holistic ESH Management:** Our ESH management goes beyond mere compliance with regulatory requirements. We integrate health and safety into our business operations, ensuring a workplace that is not just compliant but also proactive in identifying and mitigating potential hazards.

**Employee Empowerment and Training:** We believe in empowering our employees with the knowledge and skills necessary for maintaining a safe and healthy work environment. Regular training and awareness programs are in place to foster a culture where each employee is a custodian of their own and their colleagues’ well-being.

# SUSTAINABILITY STATEMENT

**Continuous Improvement and Pollution Prevention:** In our journey towards sustainability, continuous improvement is a key driver. We actively seek ways to reduce waste, prevent pollution, and minimise our environmental footprint. Our ESH objectives are aligned with our broader environmental goals, demonstrating our commitment to protecting the planet while ensuring the safety and health of our workforce.

**Engagement and Responsibility:** We encourage active engagement and cooperation among our employees to uphold our ESH standards. This collaborative approach not only enhances our ESH performance but also instils a sense of collective responsibility towards achieving our sustainability goals.

**Safe and Sustainable Future:** Our vision for a sustainable future is anchored in the well-being of our employees and the health of our environment. By integrating these aspects into our core business strategy, we are setting a precedent for responsible and sustainable business practices.

Spritzer Bhd's policies and initiatives, such as regular comprehensive safety audits, the continuous refinement of training modules, the adoption of cutting-edge safety technologies, and the integration of 5S principles, exhibit our proactive and innovative approach to workplace safety. The 'Safety First' campaign and our behavioural safety programs are testaments to our holistic approach to health and safety, embedding these principles at every level of operation.

Spritzer Bhd's ESH policy, firmly rooted in international best practices and local governance such as the 5S system, demonstrates the company's capacity for continual improvement and its ambition to exceed the highest standards of workplace safety. This dedication ensures that every Spritzer Bhd employee benefits from the safest possible working conditions, thereby solidifying the foundation for a sustainable and prosperous future for the company and its valued workforce.

Our impeccable record of zero work-related fatalities over the past three years reflects the effectiveness of our health and safety protocols and our proactive risk management strategies. This achievement is not by chance but the result of our unwavering commitment to creating an environment where safety is ingrained in the company's ethos.

## OUR PERFORMANCE:

Health & Safety	Unit	2021	2022	2023
Bursa C5(a) Number of work-related fatalities	Number	-	-	-
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	14.0	24.5	19.1
Bursa C5(c) Number of employees trained on health and safety standards	Number	153	158	200
Total hours worked	Hours	437,382	520,117	523,335
Number of lost time injuries	Days	107	86	28

The data presented indicates a proactive and responsive health and safety policy, with a focus on continuous improvement. The temporary increase in the lost-time injury rate in 2022 served as an impetus for us to critically evaluate and enhance our safety measures. Our corrective actions, informed by incident analyses and employee feedback, led to a notable reduction in this rate to 19.1% in 2023. This demonstrates our agility in addressing safety concerns and our commitment to learning and adaptation.

Our dedication to training is central to our safety strategy. By increasing the number of employees trained in health and safety from 153 in 2021 to 200 in 2023, we have not only empowered our workforce with the knowledge to act safely but also cultivated a shared responsibility for maintaining a safe work environment. This educational drive has been essential in fostering a culture of safety awareness and accountability. As we look to the future, our resolve is to not only maintain but exceed the highest standards of health and safety, ensuring that we can proudly claim that every member of our workforce is afforded the safest possible environment in which to thrive. Our journey towards a sustainable future is inextricably linked to the well-being of our employees, and we will steadfastly uphold this commitment.

# SUSTAINABILITY STATEMENT

Originating from Japan, the 5S principles are instrumental in cultivating an environment that is not only organised and efficient but also inherently safe and sustainable.

- 1. Seiri (Sort & Organisation):**  
Our emphasis on sorting and organising the workplace aligns with our sustainability goals by reducing clutter, optimising resource usage, and minimising waste. By keeping only necessary items in the workspace, we ensure operational efficiency and reduce environmental impact.
- 2. Seiton (Orderliness):**  
Maintaining orderliness in our facilities is not just about aesthetics; it's about creating a safer, more productive environment. This approach reduces the risk of accidents, enhances employee well-being, and contributes to a more sustainable operation.
- 3. Seiso (Cleanliness):**  
A clean workplace is integral to our health and safety standards. Regular cleaning minimises the risks of contamination and ensures a healthy environment for our employees, which is a fundamental aspect of our commitment to sustainability.
- 4. Seiketsu (Standardisation):**  
Standardising processes and practices across our operations ensures consistency in our sustainability efforts. By having clear standards, we reduce inefficiencies and promote a culture of continuous improvement.
- 5. Shitsuke (Discipline):**  
Discipline in adhering to established procedures and practices ensures that our sustainability and safety measures are not just temporary initiatives but ingrained habits. This discipline extends to our 'Clean As You Go' ("CAYG") policy, ensuring that every employee contributes to maintaining a safe, clean, and sustainable work environment.

Culminating in a Sustainable Future: Through the 5S methodology, Spritzer Bhd not only maintains high standards of health and safety but also drives forward our sustainability agenda. By integrating these principles into our daily operations, we create a culture of responsibility and efficiency, which underpins our commitment to the well-being of our employees and the environment.



## 4.0 CYBERSECURITY AND DATA PROTECTION

GRI 418-1

### Related UN SDGs:



In this digital age and highly interconnected world, cybersecurity and data protection are not just IT issues but pivotal sustainability concerns that can significantly impact a company's resilience and reputation. Spritzer Bhd recognises the critical importance of robust cybersecurity measures and the responsible handling of data as fundamental aspects of its sustainability endeavours. Spritzer Bhd places utmost importance on these pillars to sustain consumer trust, ensure operational integrity, comply with rigorous legal standards such as Malaysia's Personal Data Protection Act ("PDPA"), safeguard intellectual property, and secure its supply chain. This holistic approach to digital security is critical in a landscape where data breaches are not just threats to privacy but to the very fabric of the company's continuity, innovation capability, and competitive standing. Through stringent cybersecurity measures and a culture of rigorous data stewardship, Spritzer Bhd fortifies its defense against cyber threats, ensuring robust business operations and upholding the trust placed in it by customers and partners.

# SUSTAINABILITY STATEMENT

Spritzer Bhd is proactively enhancing its cybersecurity posture and data protection capabilities through a comprehensive strategy. This strategy encompasses thorough risk assessments and management to preempt vulnerabilities, extensive employee training for increased cybersecurity awareness, and the establishment of a stringent data protection framework compliant with PDPA and global standards. Additionally, the company is investing in cutting-edge technological defenses, mandating robust cybersecurity standards for suppliers and partners, and implementing a rapid incident response plan. To solidify the effectiveness of its security measures and uphold its trusted reputation, Spritzer Bhd is dedicated to obtaining pertinent certifications and performing consistent audits.

## OUR PERFORMANCE:

Cybersecurity & Data Protection	Unit	2021	2022	2023
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number	-	-	-

Spritzer Bhd has successfully maintained a record with zero substantiated complaints concerning breaches of customer privacy or losses of customer data over the three-year period from 2021 to 2023. This exemplary record underscores the effectiveness of Spritzer Bhd’s proactive measures in cybersecurity and data protection, reflecting our steadfast commitment to safeguarding customer information and maintaining a trusted relationship with their stakeholders.

## 5.0 CLIMATE CHANGE

GRI 418-1

### Related UN SDGs:



Spritzer Bhd’s commitment to energy management is not only a strategic business decision but also a critical component in reducing carbon emissions, aligning with global environmental objectives. By optimising energy use and increasing efficiency, the company significantly reduces its operational costs and contributes to a lower carbon footprint. The diversification into renewable energy sources is a key step in mitigating the risks associated with volatile fossil fuel markets and supply chain uncertainties, while simultaneously decreasing reliance on carbon-intensive energy sources. This shift enhances Spritzer Bhd’s market competitiveness, as energy efficiency becomes increasingly valued by sustainability-focused investors. The move towards sustainable energy practices fosters innovation and leads to the development of more efficient technologies and production processes, further reducing carbon emissions. These efforts position Spritzer Bhd as a leader in corporate sustainability, enhancing its brand reputation and fostering stakeholders’ confidence.

Spritzer Bhd is advancing its sustainability agenda with a comprehensive suite of initiatives aimed at enhancing energy efficiency and promoting renewable energy. Central to this strategy are regular energy audits to pinpoint and rectify inefficiencies, coupled with significant investments in renewable energy sources like rooftop solar PV panels, which will aid in reducing dependence on fossil fuels and lowering Scope 2 emissions. The company is also embracing nature-based solutions, such as tree replanting and forest conservation, as well as biodiversity preservation. This is complemented by the adoption of energy-efficient technologies in its production processes, ensuring minimal energy consumption. Employee engagement initiatives are another key aspect, fostering a culture of sustainability and energy conservation across the organisation. In addition, Spritzer Bhd is revising its procurement policies to prefer suppliers with green practices, thereby reinforcing its commitment to sustainability. Collaborative efforts with government, non-profits, and other corporations are also being pursued to share knowledge and advance renewable energy projects, further cementing Spritzer Bhd’s role as a leader in corporate environmental responsibility.



# SUSTAINABILITY STATEMENT

## 1. Renewable Energy ("RE") Transition:

Place a strong emphasis on transitioning towards solar energy as the primary renewable energy source. This strategy involves not only integrating solar energy technologies into our operations but also actively sourcing energy from providers specialising in solar power. By focusing on solar energy, we can significantly reduce our dependency on fossil fuels and lower greenhouse gas emissions. This approach harnesses the abundant and clean energy provided by the sun, reflecting our commitment to sustainability and environmental responsibility.

## 2. Energy Efficiency ("EE") Retrofitting in Manufacturing Plants and Energy Audits:

Undertake a comprehensive retrofitting of existing manufacturing facilities. By upgrading to energy-efficient machinery and systems, such as LED lighting, high-efficiency motors, regular energy audits and advanced HVAC systems, we can substantially decrease energy consumption. Implementing smart sensors and IoT devices for real-time energy monitoring and management can further enhance these efficiencies.

### Emissions Reduction: Scope 1 & 2 Emissions

## 3. Optimisation of Distribution and Route Planning Efficiency:

Revise and improve our distribution networks and logistics. Utilise advanced routing algorithms and GPS tracking to optimise delivery routes, thus minimising travel distance and time.

## 4. Promotion of Local Sourcing:

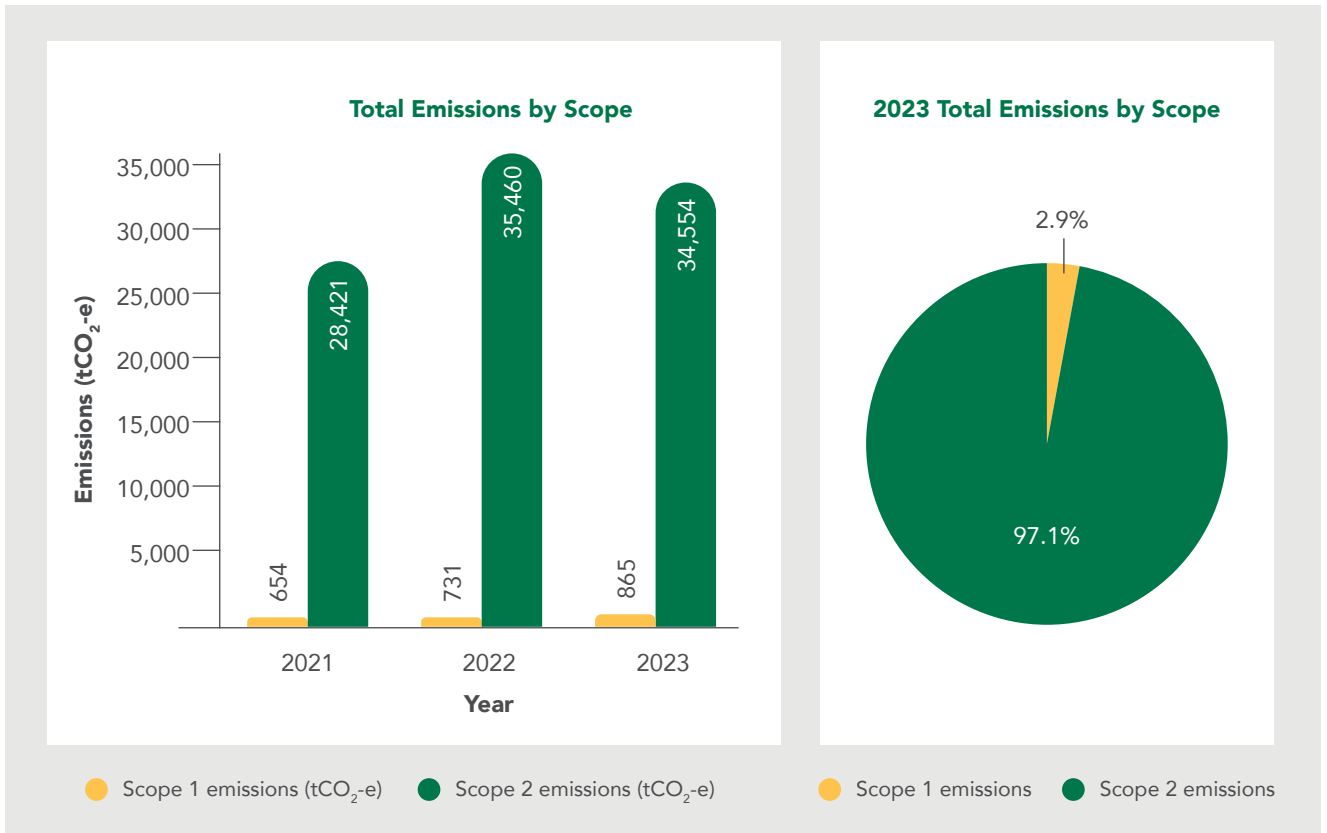
Aim to reduce the carbon footprint associated with transportation by emphasising local sourcing. By procuring raw materials and components from local suppliers, we can significantly cut down on the emissions generated from long-distance transportation.

## OUR PERFORMANCE:

Climate Change	Unit	2021	2022	2023
Bursa C4(a) Total energy consumption	Gigajoules	131,165	163,648	159,468
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> -e	654	731	865
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> -e	28,421	35,460	34,554

In compliance with Bursa Malaysia's regulations, Spritzer Bhd is also assessing the inclusion of Scope 3 emissions in its sustainability reporting. This expansion of reporting boundaries will provide a more comprehensive view of the company's overall carbon footprint, encompassing all indirect emissions that occur in its value chain, including both upstream and downstream activities.

# SUSTAINABILITY STATEMENT



**Note:**

1. Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard using the operational control consolidation approach.
2. Scope 1 is sourced from the GHG Conversion Factors for Company Reporting version 2.0 (2022), published by the UK Department for Environment, Food & Rural Affairs ("DEFRA") and Embodied Carbon: The Inventory of Carbon and Energy version 3.0 (2019), published by BSRIA.
3. Scope 2 emissions factors for electricity grids in Peninsular Malaysia, Sabah and Sarawak are sourced from the 2017 CDM Electricity Baseline for Malaysia published by Malaysian Green Technology and Climate Change Corporation ("MGTC").
4. The GHG emissions data for Scope 1 and 2 have been internally reviewed. We will undertake independent assurance for all our GHG emissions data (Scope 1, Scope 2 and Scope 3) in the future.

# SUSTAINABILITY STATEMENT

## ENERGY EFFICIENT APPROACH



### WAREHOUSE DESIGN



LED lowbay light at staging, pallet inspection & racking system



HVLS fan installed at pallet inspection area



Huge overhang roof that provides natural light and ventilation



Advanced energy-efficient analytics for real-time building performance monitoring



A building with small environmental footprint while providing occupants a healthy & comfortable indoor and outdoor environment



A building with small environmental footprint while providing occupants a healthy & comfortable indoor and outdoor environment. The roof overhang in front of building acts as effective shading device to internal area blocking direct sunlight, further reduce the heat gain in the internal building.

# SUSTAINABILITY STATEMENT

## SPRITZER ASRS WAREHOUSE



### Low Carbon Manufacturing

- ❖ Renewable energy through solar PV
- ❖ Rainwater harvesting system
- ❖ Energy efficient lighting and cooling system
- ❖ Electrical and water sub metering

### Eco Green Workplace

- ❖ No smoking policy
- ❖ Use of low VOC and non-toxic building materials
- ❖ Maintain overall indoor ventilation and comfort levels

### Green Mobility and Eco-Conscious

- ❖ Reduce pollution
- ❖ Insulation on building envelope to reduce noise pollution
- ❖ Roof colour application to reduce urban heat island effect
- ❖ Green vehicle and carpool parking to reduce carbon emissions
- ❖ Bicycle lane

### Green Value Chain

- ❖ Use of recycled materials to reduce use of virgin resources
- ❖ Use of localised materials to reduce carbon footprint
- ❖ Use of environment friendly refrigerants and cleaning agents



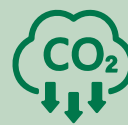
Forklifts have been replaced by

**31**

Automated Guided Vehicles ("AGV") with zero emission



**14,949**  
storage capacity  
**ZERO**  
human intervention



Carbon emission reduction since operational in 2021  
**2,193 tCO<sub>2</sub>e**



National Energy Award ("NEA")  
and Asean Energy Award ("AEA")  
under category Zero-Energy Building

# SUSTAINABILITY STATEMENT

## 6.0 CUSTOMER SATISFACTION

### Related UN SDGs:



Satisfied customers are the bedrock of brand loyalty and a stellar reputation, both of which are essential for standing out in a competitive market like Malaysia and on a global scale. By consistently meeting or surpassing customer expectations, Spritzer Bhd secures a tangible competitive advantage in an industry replete with choices. Customer feedback serves as a critical resource for operational improvement, enabling the company to fine-tune its products and services in line with evolving customer preferences. Moreover, a strong focus on customer satisfaction ensures adherence to both local and international consumer protection laws, thereby avoiding legal complications and underpinning ethical business operations. This approach transcends mere transactional interactions; it fosters sustainable growth for Spritzer Bhd, driven by repeat business and positive word-of-mouth, rather than relying solely on aggressive marketing and unsustainable expansion tactics. In essence, customer satisfaction is not just a goal for Spritzer Bhd, it's a strategic imperative that influences every aspect of its business.

To ensure high levels of customer satisfaction, Spritzer Bhd is undertaking several key initiatives:

- 1. Customer Feedback Mechanisms:**  
Implementing robust systems to gather and analyse customer feedback, enabling the company to respond quickly to consumer needs and preferences.
- 2. Quality Assurance:**  
Continually enhancing quality assurance measures to ensure that all products meet stringent standards before reaching the customer.
- 3. Staff Training:**  
Providing comprehensive training to all customer-facing staff, ensuring they are equipped to provide exceptional service.
- 4. Technology Integration:**  
Utilising latest technology to streamline customer interactions and improve the overall customer experience, from ordering to delivery.
- 5. Community Engagement:**  
Engaging with the local community to understand their needs and preferences, tailoring products and services to meet these requirements.
- 6. Sustainability Reporting:**  
Regularly reporting on customer satisfaction metrics as part of the company's sustainability reporting, ensuring transparency and accountability.
- 7. Adherence to International Standards:**  
Aligning with international customer service standards and practices to ensure consistency and excellence in customer interactions.

### In-Depth Strategic Focus Areas:

#### Customer Relation:

Spritzer Bhd has established a robust system for building and maintaining strong customer relationships. Recognising that effective communication is key, the company offers multiple platforms for customers to voice their concerns and provide feedback. These platforms are closely monitored to gather insights, which are then used to drive continuous improvements in service, quality, and product development. This responsive approach ensures that customer needs and expectations are not just met but often exceeded, fostering a loyal and satisfied customer base.



# SUSTAINABILITY STATEMENT

## Labelling and Recognition:

Understanding the importance of trust in customer relationships, Spritzer Bhd has dedicated itself to responsible and transparent labelling practices. The company's commitment to clarity in its product descriptions has garnered significant recognition, both nationally and internationally, in 2023. These accolades not only highlight the company's dedication to quality but also reinforce customer confidence in the brand. By adhering to strict regulatory standards and ensuring that all labelling is clear and accurate, Spritzer maintains a strong bond of trust with its customers.

## Quality and Assurance:

At the heart of Spritzer Bhd's operations is a relentless commitment to quality and assurance. The company's quality policy is centred on producing high-standard products in hygienic conditions, meeting and surpassing regulatory requirements. This commitment extends to ensuring the continuous improvement of product quality through innovative practices and adherence to rigorous safety standards. The company's approach involves regular inspections, supervision throughout the design and production process, and the integration of advanced technology and experienced personnel.

## Departments Driving Customer Satisfaction:

- **Public Relations ("PR") Department:** Responsible for managing the company's image and customer interactions, ensuring that customer feedback is heard and acted upon.
- **Sales, Sales Support & Export Department:** These teams work in unison to ensure that customer needs are met efficiently, from order placement to delivery.
- **Quality Assurance ("QA") Department:** This department is pivotal in maintaining product quality, ensuring that every product that reaches the customer upholds Spritzer's high standards.
- **Processes and Procedures:** Spritzer Bhd has established comprehensive processes and procedures to enhance customer satisfaction. These include detailed Operation Policies & Procedures, a Customer Satisfaction Evaluation system, and a structured Customer Complaint Handling Procedure. Each of these processes is designed to ensure that customer feedback is systematically addressed and used as a tool for continuous improvement.

## Evaluating Customer Satisfaction Performance:

The company employs a multi-faceted approach to evaluate its customer satisfaction performance. Key performance indicators include Quality, Delivery, Service, and Technical support. Regular analysis of customer reviews and feedback, especially from online platforms such as [spritzerofficial.shopee.com.my](https://spritzerofficial.shopee.com.my), forms a critical part of this evaluation process. Social media engagement, particularly from key opinion leaders on platforms like Instagram, provides additional insights into customer perceptions and satisfaction levels.

## Ongoing Commitment to Excellence:

Spritzer Bhd's commitment to customer satisfaction is dynamic and ever evolving. The company is consistently looking for innovative ways to enhance the quality of its products and services. This commitment is a testament to the company's dedication not just to meet customer expectations but to exceed them, fostering a culture of excellence that permeates every aspect of the business.

Customer Satisfaction	Unit	2021	2022	2023
<i>Customer satisfaction index</i>	Percentage	83	87	86

The customer satisfaction index for Spritzer Bhd illustrates a positive trajectory, starting from an 83% satisfaction rate, peaking at 87%, and then slightly dipping to 86%. This data reflects the company's effective customer engagement strategies, as well as its commitment to continuously enhancing the customer experience. Despite a minor decline, the consistently high satisfaction rates indicate that customers appreciate the quality of Spritzer Bhd's products and services. This performance is integral to Spritzer Bhd's sustainability drive, showcasing a commitment to maintaining high standards of customer satisfaction, fostering brand loyalty, and driving sustainable growth through a customer-centric approach.

# SUSTAINABILITY STATEMENT

## Be Sustainable with Spritzer @ Pavillion

Spritzer's 'Be Sustainable with Spritzer' campaign at Pavillion encouraged eco-friendly practices from August 30 to September 10, 2023 rewarding recycling efforts with gifts and commemorating sustainable actions with a fashionable tote bag.



## Think green with Parkson

Parkson Think Green event on going from September 29 until October 31, 2023 and Spritzer have set up a booth at Parkson for selling, redemption and crafting. Our booth was a sanctuary of creativity, where customers can craft and learn about sustainable practices. Additionally, Spritzer also provided an exclusive redemption zone, allowing customers to exchange for Spritzer beverages. This event exemplifies our commitment to a greener, healthier future, one where every choice makes a difference.



## Spritzer silica charging station

Spritzer team continues to spread the Silica goodness at MRT stations. Spritzer is reaching out to the MRT goers, reminding them to charge up Silica and boost their collagen while on the go. They would love to redeem the Spritzer's tote bag by posting a photo when they share their interactive photo on Instagram and tag @spritzerwater.

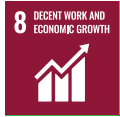


# SUSTAINABILITY STATEMENT

## 7.0 EMPLOYEE MANAGEMENT

GRI 404-1

### Related UN SDGs:



At Spritzer Bhd, employee management is a critical pillar of our sustainability strategy. With a comprehensive approach outlined in the 2023 Employee Handbook, we are committed to fostering a workplace that upholds ethical conduct, health and safety, and personal development. Our policies are designed to ensure a culture of integrity, respect, and equal opportunity, promoting a harmonious work environment while aligning with the highest standards of local and international regulations. These efforts are crucial for our continued success and are reflective of our dedication to the well-being and growth of our employees, the backbone of our company.

Employees are central to driving innovation, executing sustainability initiatives, and ensuring operational efficiency. A well-managed workforce fosters a culture of productivity, motivation, and collective responsibility towards sustainability goals. By investing in employee development, wellness, and satisfaction, Spritzer Bhd enhances retention, attracts top talent, and builds a resilient team capable of adapting to changing sustainability demands. This, in turn, supports long-term business growth, stakeholder trust, and a strong corporate reputation, all of which are integral to sustainable success.

### COMPANY PHILOSOPHY

#### 1. TRUSTWORTHY

The most expensive thing in the world is TRUST. It takes years to earn and just a matter of seconds to lose. All these years we have cultivated TRUST from team members to suppliers.

#### 2. INTEGRITY

Honesty, kindness, generosity, moral courage is more than anything else. Integrity is doing the right thing, even when no one is watching.

#### 3. RESPECT

Treat people the way you want to be treated. Talk to people the way you want to be talked to. Respect is earned, not given. We respect all walks of life.

#### 4. CHALLENGE EACH OTHER OPENLY

Sometimes those who challenge you most teach you best. We do not grow when things are easy, we grow when we face challenges. To understand everyone's challenges, to hear their challenges, to discuss openly and find solutions on the tasks.

Spritzer Bhd has implemented a series of initiatives under Employee Management, focused on the development and growth of its workforce:

- A comprehensive Training and Development Plan, which is the cornerstone of human resource development, aimed at realising the full potential of every employee.
- Mandatory training for executives, with a minimum of 40 hours of training per year, to ensure that they are equipped for their current roles and prepared for future job requirements.
- A focus on self-development, encouraging employees to take on increased responsibility and facilitating their career growth within the company.
- Efforts to improve overall organisational effectiveness through continuous training and development.
- A structured approach encompassing In-house Training, External Training, and Continuing Education to maintain a continuous learning environment.
- A "Training & Development Roadmap" designed to guide employees through their career progression within the company.

# SUSTAINABILITY STATEMENT

## OUR PERFORMANCE:

Employee Management		2021	2022	2023
<b>Bursa C6(a) Total hours of training by employee category</b>				
Management	Hours	990	1,392	2,271
Executive	Hours	1,866	3,957	5,379
Non-Executive/Technical Staff	Hours	2,046	2,465	3,822
<b>Bursa C6(c) Total number of employee turnover by employee category</b>				
Management	Number	15	6	9
Executive	Number	34	35	33
Non-Executive/Technical Staff	Number	173	180	96

Spritzer Bhd has demonstrated a steadfast commitment to sustainability and employee well-being through its significant investment in training and development across all employee categories, and its effective strategies in managing and reducing employee turnover. These efforts showcase the company's dedication to enhancing workforce competencies, fostering a positive and engaging work environment, and retaining skilled employees. Such practices not only underscore Spritzer Bhd's dedication to its employees' growth and satisfaction but also contribute to the company's operational stability, competitiveness, and overall sustainability. By prioritising human capital, Spritzer Bhd is setting a benchmark in corporate responsibility and sustainable business practices, reinforcing its role as a forward-thinking and responsible organisation in today's dynamic business landscape.

### KAIZEN: STAR AWARD

Our employees are at the heart of our success and empowering them is pivotal to achieving sustainability. The Kaizen philosophy encourages every team member to actively participate in identifying and implementing improvements, nurturing a culture of collaboration and shared responsibility. By engaging our workforce in sustainable practices, we not only enhance operational efficiency but also create a workplace where every individual feels valued and integral to our shared success.



To celebrate and recognise high-performing employees who embody the spirit of Kaizen, Spritzer Bhd has introduced the Star Awards program. This initiative acknowledges individuals or teams that go above and beyond in implementing sustainable practices, driving innovation, and contributing significantly to our overall operational eco-efficiency. By illuminating exceptional achievements, we aspire to ignite a sense of inspiration among others, fostering a cascade of positive change throughout our organisation.

### Merdeka Spritzer Run 2023

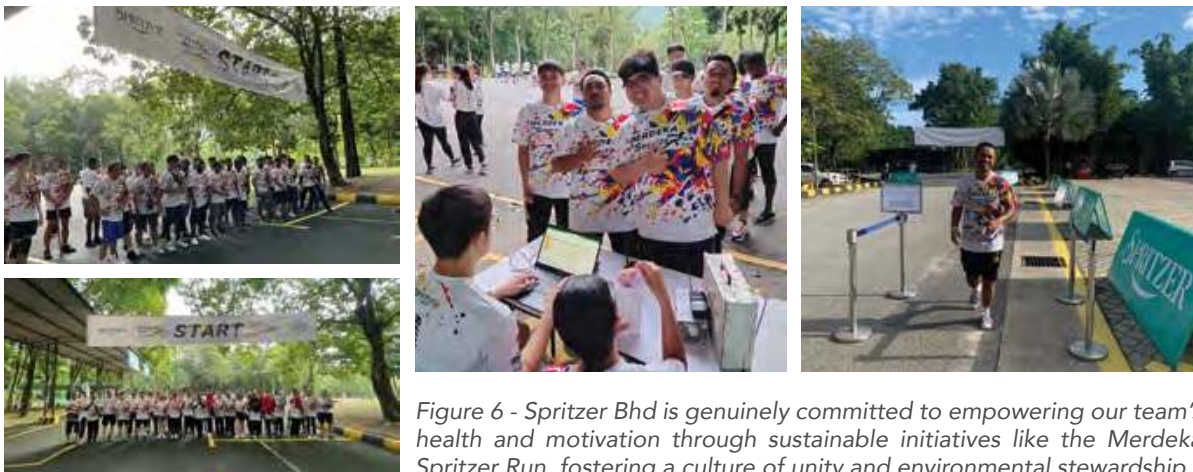


Figure 6 - Spritzer Bhd is genuinely committed to empowering our team's health and motivation through sustainable initiatives like the Merdeka Spritzer Run, fostering a culture of unity and environmental stewardship

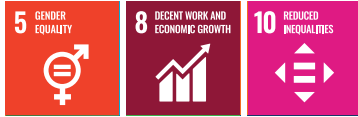


# SUSTAINABILITY STATEMENT

## 8.0 DIVERSITY, EQUALITY AND INCLUSION

GRI 405-1

### Related UN SDGs:



At Spritzer Bhd, we firmly recognise that diversity, equity, and inclusion (“DEI”) are fundamental pillars for fostering a culture of innovation and creativity, which are imperative for driving our company forward in today’s competitive market landscape. Our commitment to nurturing an inclusive culture goes beyond mere compliance; it is deeply ingrained in our corporate ethos and serves as a guiding principle in all aspects of our operations.

### The Importance of Diversity, Equity, and Inclusion (“DEI”):

Diversity, equity, and inclusion are not just buzzwords at Spritzer Bhd; they are the cornerstones of our success and sustainability. We understand that an inclusive culture not only attracts and retains top talent but also provides us with a unique competitive advantage. By embracing diversity in all its forms, we are better equipped to understand and serve our diverse customer base, driving innovation and fuelling growth.

Moreover, our commitment to DEI enhances our brand reputation and fosters greater loyalty among consumers who prioritise social responsibility. By adhering to DEI principles, we not only mitigate legal and reputational risks but also strengthen our position as a responsible corporate leader, respected both locally and globally.

### Key Initiatives to Support DEI:

- 1. Free Choice of Employment:**  
We are committed to ensuring that all employment opportunities within Spritzer Bhd are freely chosen, fostering a culture of voluntarism and autonomy among our workforces.
- 2. Safe and Hygienic Working Conditions:**  
The health and well-being of our employees are paramount. We provide a safe and hygienic work environment, adhering to the highest standards of safety and cleanliness.
- 3. Freedom of Association:**  
We respect the right of our employees to associate freely, recognising the importance of open communication and representation. We encourage active participation in employee forums and committees to ensure that diverse voices are heard.
- 4. Fair Wages:**  
At Spritzer Bhd, we believe in fair compensation for all employees. We ensure that wages are equitable and competitive, reflecting industry standards and the contributions of everyone.
- 5. Reasonable Working Hours/Flexi Work:**  
We understand the importance of work-life balance. We maintain reasonable working hours and offer flexible work arrangements to accommodate the diverse needs of our employees.
- 6. No Discrimination in Employment:**  
Discrimination has no place in our workplace. We are committed to fostering an inclusive environment where every employee is valued and respected, regardless of race, gender, age, or background.
- 7. Zero Tolerance for Unethical Practices:**  
Integrity is the foundation of everything we do. We have zero tolerance for bribery, corruption, blackmailing, and bullying, ensuring that our workplace is free from unethical behaviour.
- 8. Regular Monitoring and Reporting:**  
We have established robust mechanisms for monitoring and reporting progress against our DEI objectives. Transparency is key, and we are committed to sharing our findings with both internal and external stakeholders.
- 9. Open Communication:**  
We uphold an open communication policy, encouraging transparent dialogue among all employees. Our open-door policy ensures that every team member feels heard and valued, fostering a culture of trust and collaboration.



# SUSTAINABILITY STATEMENT

## OUR PERFORMANCE:

Diversity, Equity & Inclusion	Unit	2021	2022	2023
<b>Bursa C3(a) Percentage of employees by gender group</b>				
Male	Percentage	66.0	70.0	70.0
Female	Percentage	34.0	30.0	30.0
<b>Bursa C3(b) Percentage of directors by gender group</b>				
Male	Percentage	88.9	66.7	66.7
Female	Percentage	11.1	33.3	33.3

Spritzer Bhd's commitment to sustainability is reflected in its evolving approach to diversity, equity, and inclusion ("DEI") within its workforce. The stable representation of male employees in management roles and the slight increase in female representation highlight the company's gradual progress towards gender diversity in leadership positions. In 2023 and beyond, Spritzer Bhd is committed to strengthening our DEI initiatives. We aim to address the identified gaps, enhance our strategies to promote a more inclusive workforce, and ensure that our sustainability narrative is actively practised, leading us toward a more inclusive and equitable future.

The increase in female representation on the board is a positive step towards broader diversity and inclusion goals, which are essential components of corporate sustainability. Diversity in leadership is linked to a variety of beneficial outcomes, including enhanced decision-making processes, greater innovation, and improved corporate governance. By ensuring a more gender-balanced board, Spritzer Bhd is not only adhering to best practices in corporate leadership but also reflecting the values and expectations of its stakeholders, including employees, customers, and investors who increasingly prioritise gender equality and diversity.

Moreover, this progression towards gender balance on the board demonstrates Spritzer Bhd's commitment to creating an inclusive culture that values and leverages diverse perspectives. Such a culture is crucial for fostering a sustainable business environment that can adapt to and thrive in the face of changing global challenges.

Spritzer Bhd's efforts to enhance gender diversity among its directors signify a meaningful stride towards embedding sustainability into its core governance structures. By championing diversity and inclusion at the leadership level, Spritzer Bhd is setting a strong foundation for responsible and sustainable business practices that will benefit the company and its stakeholders in the long term.

## 9.0 HUMAN RIGHTS

GRI 409-1

### Related UN SDGs:



At Spritzer Bhd, the commitment to human rights is not just a policy but a principle that is deeply ingrained in the company's operational fabric and ethical identity. This dedication goes beyond mere compliance; it is about fostering a corporate culture that champions the principles of justice and equality. In understanding that human rights are fundamental to sustainable development and corporate responsibility, Spritzer Bhd actively works to ensure that these rights are respected and upheld. By doing so, the company not only supports the welfare and dignity of every individual it touches but also solidifies a business environment that is inherently fair and conducive to long-term success. This holistic embrace of human rights reflects Spritzer Bhd's acknowledgment that true sustainability is built on the foundation of respecting and promoting the inherent rights of all.

# SUSTAINABILITY STATEMENT

Our Social Compliance Policy, drawing from the globally respected Ethical Trading Initiative (“ETI”) Base Code, serves as the compass by which we navigate our human rights journey. It maps out the fundamental aspects we uphold; from ensuring that all forms of employment are freely chosen, without the shadow of forced or involuntary labour, to the absolute prohibition of child labour across all our operations and supply chains. We hold these truths to be self-evident, that all individuals are entitled to safe, hygienic working conditions, and that fair wages are not a luxury but a basic human right.

The spirit of our policy is to foster a workplace environment where every employee, regardless of their background or role, is treated with fairness and respect. We maintain a zero-tolerance policy against discrimination, ensuring that our doors are open to all, providing equal opportunities for career development and advancement. Our commitment to this policy is not passive; it is an active, ongoing process of engagement, evaluation, and empowerment.

## OUR PERFORMANCE:

Human Rights	Unit	2021	2022	2023
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	-	-

Between 2021 and 2023, our diligent adherence to these principles has been evident in our performance: we have received zero substantiated complaints regarding human rights violations. This achievement is a direct result of our proactive approach, which includes rigorous training programs designed to educate our employees about their rights and the avenues available to them for reporting concerns. It is also a consequence of the safe channels we have established for whistleblowing, which guarantee anonymity and protection against retaliation.

In extending our human rights commitment to our suppliers, we have put in place a stringent Supplier Code of Conduct that aligns with our Social Compliance Policy. This ensures that our high standards are upheld throughout our supply chain. Furthermore, our active engagement with the communities we serve allows us to align our human rights goals with the expectations and needs of a broader society, reinforcing the mutual benefits of our operations.

As Spritzer Bhd continues to evolve, our dedication to human rights remains as steadfast as ever. We are proud of the journey we have embarked upon and are committed to continuous improvement. We understand that in the realm of human rights, there is no destination, only the ongoing pursuit of excellence and integrity. Our dedication to these principles is a declaration of our intent to lead by example, setting an industry standard for ethical business conduct. In ensuring that respect, fairness, and integrity are at the heart of all we do, we are building a legacy that transcends our products and speaks to the very essence of who we are as a corporate citizen.



**ZERO**

**NUMBER OF SUBSTANTIATED COMPLAINTS CONCERNING HUMAN RIGHTS VIOLATIONS FROM 2021-2023**

# SUSTAINABILITY STATEMENT

## 10.0 SUPPLY CHAIN MANAGEMENT

GRI 204-1

### Related UN SDGs:



### Empowering Local Supply Chain Engagement

Spritzer Bhd's sustainability strategy encompasses a comprehensive vision that extends beyond the traditional bounds of environmental responsibility to include a deep-rooted commitment to its supply chain. By prioritising engagement with local suppliers, Spritzer Bhd not only nurtures the economic health of the communities in which it operates but also reinforces a chain of supply that is resilient, responsible, and reflective of its sustainability values. This strategic choice to integrate local businesses into its operations is a testament to Spritzer Bhd's dedication to fostering long-term sustainability within its sphere of influence. It signifies an understanding that a sustainable company thrives on the synergy of economic, ecological, and social factors, all converging through thoughtful and ethical business practices. Through this, Spritzer Bhd ensures that its sustainability initiatives deliver a positive impact that ripples through its network, fortifying community ties, and reinforcing a legacy of sustainability that aligns with global aspirations for a more sustainable future.

Spritzer Bhd has implemented a series of proactive initiatives to strengthen its local supply chain and reinforce its commitment to sustainability:

- 1. Capacity Building Programs:**  
Spritzer Bhd has established development programs to enhance the capabilities of local suppliers, ensuring they can meet and even surpass the company's operational requirements.
- 2. Local-First Procurement Policy:**  
The company has implemented procurement policies that prioritise local suppliers, provided they meet defined sustainability and quality criteria, ensuring a preference for community-based vendors.
- 3. Broadened Supplier Diversity:**  
To foster a more inclusive supply chain, the company has broadened its sourcing to include a diverse range of local suppliers, with particular attention to businesses led by minorities and women.
- 4. Reporting with Enhanced Transparency:**  
Spritzer Bhd has intensified its commitment to transparency by reporting more openly on its local expenditures, promoting a culture of accountability and continuous improvement.
- 5. Fostering Synergistic Partnerships:**  
The company actively seeks and cultivates partnerships with local governments and economic development agencies, aimed at strengthening the local supplier network and supporting sustainable mutual growth.

### OUR PERFORMANCE:

Supply Chain Management	Unit	2021	2022	2023
Bursa C7(a) Proportion of spending on local suppliers	Percentage	78.0	78.0	63.0

As the global business landscape evolved, Spritzer Bhd adjusted its strategy to ensure resilience, cost-effectiveness, and quality in its supply chain. This shift towards a more diversified sourcing strategy reflects a sophisticated understanding of the complexities inherent in maintaining a sustainable supply chain in today's interconnected world. By balancing local engagement with the broader benefits of global sourcing, Spritzer Bhd has demonstrated its ability to navigate the challenges of global supply chain management while remaining committed to sustainability principles.

This dynamic approach underscores the company's dedication to environmental stewardship, economic responsibility, and social well-being. Spritzer Bhd recognises that sustainability is a multifaceted endeavour that requires ongoing evaluation and adjustment to meet both current and future needs. Through its strategic supply chain management, Spritzer Bhd is not only ensuring the long-term viability of its operations but also contributing to the broader goal of creating a more sustainable and equitable global economy.

# SUSTAINABILITY STATEMENT

Essentially, Spritzer Bhd's journey reflects a commitment to continuous improvement and responsible business practices. By thoughtfully balancing local and global considerations, the Company is paving the way for a sustainable future, demonstrating leadership and innovation in its approach to corporate sustainability.

## GREENING VALUE CHAIN: POWERING PROGRESS WITH BATTERY-POWERED FORKLIFTS

In a decisive move towards sustainable operations, we have embraced a transformative shift from LPG to battery-powered forklifts. Recognising the pivotal role of these essential assets in our daily operations, we have prioritised environmental responsibility by adopting a cleaner and more efficient energy source.

This transition highlights our commitment to reducing our carbon footprint and aligning our practices with eco-friendly alternatives. By choosing battery-powered forklifts, we not only enhance operational efficiency, but also significantly lower emissions associated with traditional LPG-powered counterparts.

This eco-forward initiative extends beyond immediate benefits. The switch to battery-powered forklifts aligns seamlessly with our sustainability goals, contributing to a greener supply chain and a healthier working environment. It is a bold statement to our dedication to innovation, acknowledging that responsible business practices play a crucial role in shaping a sustainable future.



As we power our progress with battery technology, Spritzer Bhd continues to prove that every operational shift can be an opportunity to create a positive impact on the environment. Our journey towards a more sustainable future is charged with the promise of cleaner energy, efficiency, and a commitment to doing business responsibly.

## 11.0 WASTE MANAGEMENT

GRI 306-3

### Related UN SDGs:



Spritzer Bhd's approach to waste management is a critical component of its environmental strategy, serving multiple purposes that are essential to the company's integrity and efficiency. By minimising waste, Spritzer Bhd contributes to environmental protection efforts, conserving natural resources, and reducing landfill use, which is in line with global climate action goals. Complying with stringent waste management regulations also spares the company from potential legal issues and ensures the retention of its operational license. Furthermore, efficient waste management practices translate into cost savings by reducing the need for new materials and lowering disposal expenses. Beyond operational benefits, Spritzer Bhd's waste reduction efforts bolster its brand image and foster trust among consumers, who increasingly value ecological responsibility, thereby enhancing customer loyalty and competitive advantage in the market.

Spritzer Bhd's waste management approach from a cradle to gate and gate to cradle perspective, encapsulates a strategic and holistic approach to environmental stewardship.

### Cradle-to-Gate Strategies:

Spritzer Bhd has integrated cradle-to-gate strategies focusing on the beginning stages of the product lifecycle to ensure sustainable production. The company has initiated efficient weight reduction for plastic bottles, recognising the significant impact this has on reducing waste. By redesigning packaging to use less virgin material and incorporating eco-friendly design principles, Spritzer Bhd has managed to lower the amount of plastic used in production, resulting in lighter bottles that require fewer natural resources to produce and transport. This not only minimises waste from the outset but also reduces the energy intensity and emissions associated with manufacturing and distribution processes, aligning with global efforts to curtail resource depletion and carbon footprint.

# SUSTAINABILITY STATEMENT

## Gate-to-Cradle Initiatives:

In alignment with Extended Producer Responsibility (“EPR”) principles, Spritzer Bhd has stepped up its gate-to-cradle initiatives by actively collaborating with the Malaysia Recycling Alliance (“MAREA”). This partnership enhances Spritzer Bhd’s recycling efforts, ensuring that used plastic bottles are responsibly collected and processed. By working closely with MAREA, Spritzer Bhd contributes to a circular economy in Malaysia, emphasising the reintegration of recyclable materials into the production cycle and supporting nationwide sustainability targets.

Spritzer Bhd’s engagement with MAREA also supports the development of a robust recycling infrastructure, fostering efficient recycling practices and community participation in waste management. These efforts reinforce Spritzer Bhd’s gate-to-cradle commitment, showcasing a shared responsibility model in product lifecycle management, and bolstering the company’s dedication to environmental stewardship and resource conservation. Through this cooperative approach, Spritzer Bhd continues to demonstrate leadership in sustainable practices, reflecting its commitment to global environmental goals and local industry development.

Through these dual strategies, Spritzer Bhd is demonstrating its commitment to the circular economy, where materials are kept in use for as long as possible, extracting the maximum value while in use, and then recovering and regenerating products and materials at the end of each service life. These initiatives are integral to the company’s vision for sustainability, showcasing a proactive approach to waste management that ensures long-term ecological balance and positions Spritzer Bhd as a vanguard of corporate environmental responsibility.

Spritzer Bhd have undertaken several initiatives:

- 1. Waste Assessments and Target Setting:**  
Spritzer conducts regular evaluations to pinpoint primary waste sources, establishing clear reduction goals for various company sectors.
- 2. Recycling Initiatives:**  
The company has rolled out extensive recycling programs ensuring proper sorting and processing of recyclable materials like paper, plastic, and metal.
- 3. Eco-Innovation:**  
Spritzer has been innovating product designs to use fewer materials, incorporate recycled content, and enhance the recyclability of products at their lifecycle’s end.
- 4. Process Optimisation:**  
There’s an ongoing effort to refine manufacturing processes, aiming for waste minimisation by optimising inventory management to curtail overproduction.
- 5. Employee Training and Engagement:**  
The company invests in educating its workforce on sustainability, promoting active involvement in waste reduction through incentive programs.
- 6. Supplier Collaboration:**  
Spritzer collaborates with suppliers to reduce packaging waste and select recyclable or biodegradable materials.
- 7. Circular Economy Adoption:**  
The company is exploring the integration of circular economy principles, focusing on reusing waste materials in new production cycles to lessen environmental impact.
- 8. Community Involvement:**  
Spritzer is actively involved in community environmental projects and education programs to enhance ecological benefits and cultivate sustainability.

Through these initiatives, Spritzer Bhd is not only reducing its environmental footprint but is also positioning itself as a leader in corporate sustainability. This ongoing journey reflects the company’s deep understanding that effective waste management is crucial to its long-term viability and success.

## OUR PERFORMANCE:

Waste Management	Unit	2021	2022	2023
Bursa C10(a) Total waste generated	Metric tonnes	482.3	287.4	228.2

Spritzer Bhd has demonstrated a commendable commitment to environmental sustainability through its proactive waste management practices. The company has embarked on a journey of continuous improvement, focusing on reducing its waste generation and ensuring responsible waste disposal. This initiative is part of Spritzer Bhd’s broader sustainability strategy, which aims to minimise the environmental impact of its operations and contribute positively to global sustainability efforts.



# SUSTAINABILITY STATEMENT

By optimising its manufacturing processes, embracing recycling, and adopting sustainable materials and technologies, Spritzer Bhd has made significant strides in waste reduction. These efforts are not only a testament to the company's dedication to environmental stewardship but also reflect its understanding of the importance of operational efficiency and the economic benefits of sustainable practices.

Moreover, Spritzer Bhd's responsible approach to waste disposal underscores its commitment to preventing environmental contamination and protecting community health. The Company recognises that effective waste management is crucial for maintaining the balance between industrial development and environmental preservation. This responsible approach to sustainability demonstrates Spritzer Bhd's leadership in environmental responsibility and its commitment to being a positive force for change in the industry.

Overall, Spritzer Bhd's sustainability initiatives, particularly in waste management, illustrate a holistic approach to business operations that prioritises the planet and its people. Through its actions, Spritzer Bhd is paving the way towards a more sustainable future, setting an example for others in the industry to follow.

## PAPERLESS POLICY

Recognising the imperative to minimise our ecological footprint, we initiated the Paperless Policy as proactive steps towards a more sustainable future. This strategic move involves a comprehensive shift from traditional paper-based processes to an efficient and streamlined digital system, echoing our dedication to environmental sustainability and resource conservation.

The digitalisation journey at Spritzer Bhd is multipronged, touching various aspects of our operations. Administrative processes, communication channel, and documentation system have undergone a seamless transition into digital platforms, thereby reducing our reliance on paper resources. This not only aligns with our commitment to sustainability but also enhances operational efficiency, demonstrating our ambitious sustainability goals to create a business model that both environmentally conscious and economically sound.

By embarking on this paperless initiative, we are aiming to make a meaningful impact on our carbon footprint, reducing deforestation and waste associated with paper production. Beyond the environmental benefits, this initiative aligns with our corporate ethos of innovation and adaptability by leveraging on technological advancements and fostering a culture of continuous improvement.

## SPRITZER LABEL FREE BOTTLE

The label-free bottles represent a bold commitment to minimising the company's ecological footprint. By eliminating labels, Spritzer significantly reduces the use of paper and plastic materials, contributing to the preservation of forests and mitigating the impact of plastic waste on our planet. This move is in line with Spritzer's mission to create net positive impacts to the environmental conservation and embracing sustainable business practices. Beyond the immediate benefits of waste reduction, label-free bottles also play a vital role in simplifying the recycling process. The absence of labels streamlines the recycling chain, making it more efficient and cost-effective. This innovation reflects Spritzer's holistic approach to sustainability, ensuring that every aspect of its production and packaging aligns with environmentally conscious principles.



# SUSTAINABILITY STATEMENT

## STRATEGIC PARTNERSHIP WITH MAREA

As a proud member of the Malaysian Recycling Alliance (“MAREA”), Spritzer Bhd is at the forefront of Malaysia’s journey towards a more sustainable and environmentally conscious future. Our commitment to the principles of the circular economy and sustainable practices is personified through our active involvement in MAREA’s initiatives.

### Our Role in MAREA

Spritzer Bhd recognises the escalating issue of consumer packaging waste in Malaysia. In response, we have joined forces with other industry leaders as part of MAREA, a pioneering alliance established in January 2021. This alliance marks a significant step in our journey towards sustainable waste management, focusing on enhancing recycling rates, promoting the use of recycled materials, and preventing environmental leakage of post-consumer packaging.

### Aligning with National Goals

Our participation in MAREA aligns with the national ambition outlined in the 12<sup>th</sup> Malaysian Plan and the Malaysia Plastic Sustainability Roadmap 2021-2030. We are committed to the collective goal of achieving a minimum recycling rate of 25% of our packaging volumes by 2025. This target is not only a testament to our dedication to sustainability but also a reflection of our proactive approach to addressing environmental challenges.

### Sustainable Practices and Consumer Engagement

At Spritzer, we understand that effective waste management requires a holistic approach. Therefore, we actively engage in consumer education and public awareness campaigns. These initiatives are designed to foster a culture of recycling and responsible waste disposal among our consumers, thus reinforcing the importance of everyone’s role in achieving sustainability.

### Collaborative Efforts

Our efforts go beyond our individual actions. Collaboration is the key in the driving force for significant change. As part of MAREA, we work alongside the Malaysian government and other stakeholders, including waste collectors, recyclers, and industry players. This multi-stakeholder approach ensures that we are not only contributing to but also shaping the future of sustainable packaging and waste management in Malaysia.

### Looking Forward

Spritzer Bhd is committed to drive continuous improvement and innovation in our sustainability practices. As we move forward, we will keep exploring new ways to reduce our environmental impact and contribute to a greener, cleaner Malaysia. Our journey with MAREA is just one of the many steps we are taking towards a more sustainable future for all.



Figure 7 - Signing ceremony Memorandum of Collaboration between MAREA and Malaysian Green Technology and Climate Change Corporation (“MGTC”)

## SUSTAINABILITY STATEMENT



Figure 8 - The second phase of the Pioneer Project Extended Producer Responsibility (“EPR”) in Langkawi on waste management in collaboration with the Local Government Development Ministry



Figure 9 - Promoting environmental responsibility with Spritzer’s innovative recycling display: ‘Recycle, Give New Life to Plastic Bottles’

### SPRITZER X TUDUNGPEOPLE

At Spritzer, we believe in transformative power of collaboration and innovation to drive positive change for the environment and our communities. In our pursuit of a sustainable future, we are proud to announce our collaboration with TudungPeople, a renowned designer of comfortable and exquisite hijabs, to introduce a limited-edition shawl crafted from recycled plastic bottles. Drawing inspiration from the iconic Spritzer ICON bottle, the shawl and scrunchie showcase delicate rainforest flora against a backdrop of subtle turquoise gradients. Each piece is a harmonious blend of aesthetics and environmental responsibility, reflecting our shared values with TudungPeople.





# SUSTAINABILITY STATEMENT

## 12.0 COMMUNITY INVESTMENT

GRI 201-1

### Related UN SDGs:



Spritzer Bhd’s approach to sustainability extends beyond environmental stewardship to embrace the vital role of community development and investment. The Company understands that its prosperity is interwoven with the health and vitality of the local communities it serves. This philosophy drives Spritzer Bhd to invest in the social fabric of these communities, reinforcing the notion that a company’s growth and its community impact are mutually reinforcing. With a vision that sees community well-being as a cornerstone of business sustainability, Spritzer Bhd commits to initiatives that cultivate strong, vibrant, and engaged local partnerships.

Spritzer Bhd’s commitment to community development and investment is fundamental to its business ethos, understanding that such efforts are key to fostering socio-economic growth and creating a more prosperous marketplace. As a responsible corporate citizen, the company invests in local communities to cultivate mutual respect and benefit, a move that enhances its brand reputation and solidifies its position as a preferred local partner. Aligning with Malaysian national and international sustainability objectives, Spritzer Bhd adheres to regulatory standards while also embracing innovation and collaboration, recognising that community investment is a catalyst for tackling social challenges and unlocking new business avenues.

Spritzer Bhd is dedicated to several initiatives that support its commitment to community development:

- Local Infrastructure Projects:**  
 Investing in local infrastructure to improve the quality of life for community members and create a more conducive environment for doing business.
- Educational Programs:**  
 Establishing educational scholarships and programs that empower the youth and future leaders of the community.
- Health and Well-being:**  
 Supporting health initiatives that promote the well-being of community members, ensuring a healthy workforce and consumer base.
- Cultural and Environmental Stewardship:**  
 Sponsoring cultural preservation projects and environmental conservation efforts that reflect the company’s respect for local heritage and biodiversity.
- Economic Empowerment:**  
 Creating programs that stimulate local entrepreneurship and employment, providing skills training and financial support to small businesses.

By integrating these community-centric initiatives into our core business strategy, Spritzer Bhd not only contributes to the immediate needs of the communities but also invests in their long-term resilience and prosperity. This strategic focus on community development is a testament to Spritzer Bhd’s vision of sustainable growth that is inclusive, responsible, and aligned with the broader global ambition for a sustainable future.

### OUR PERFORMANCE:

Community Investment	Unit	2021	2022	2023
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM’000	469	582	1,221
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	41	56	62

# SUSTAINABILITY STATEMENT

## COLLABORATION WITH MALAYSIAN PRISON DEPARTMENT

Since 2019, Spritzer Bhd has been engaged in a meaningful partnership with the Prison Department, championing community development and the reintegration of former inmates into society through employment. This ongoing initiative, part of our corporate social responsibility, not only offers a second chance to those from the Open Prison Program but also aligns with our sustainability goals to support inclusive economic growth. The program's structure, including a probationary period, ensures a seamless transition for individuals, fostering a supportive environment for skill development and personal growth. Our commitment to this collaboration reflects our dedication to social sustainability and our belief in the transformative power of providing opportunities for all.

### Sustainability with Spritzer



Figure 10 - In action since 2019, Spritzer Bhd and the Prison Department's partnership forges new paths for growth, turning over a new leaf in community development and second chances

### 150<sup>th</sup> Taiping Celebration



Figure 11 - Taiping, Home of Spritzer, shines in its 150<sup>th</sup> Anniversary celebration with spirited community engagement and shared heritage pride



## SUSTAINABILITY STATEMENT



Spritzer EcoPark stands as a testament to Spritzer Bhd's commitment to sustainability and cultural inclusivity, transforming with each festival to celebrate the rich tapestry of Malaysia's diverse heritage. From the vivid festivities of Deepavali to the magical allure of Christmas, the traditional elegance of Hari Raya, and the festive cheer of the Lunar New Year, the park becomes a beacon of communal harmony. These festive transformations not only reflect the company's dedication to embracing and honouring cultural traditions but also its broader role in fostering a sustainable and socially cohesive community.

# SUSTAINABILITY STATEMENT

## 13.0 WATER MANAGEMENT

GRI 3-3

### Related UN SDGs:



For Spritzer Bhd, water is not just the essence of life; it's the heart of our business. Our water stewardship commitment is driven by a profound understanding of the importance of water security - not only for our operations but for the communities and ecosystems we are a part of. Spritzer Bhd, as a leading bottled water manufacturer, places paramount importance on effective water management, acknowledging that the sustainability of its business is directly tied to the responsible stewardship of water resources. The company embraces its corporate responsibility to the communities and environments in which it operates, understanding that ensuring water security is not just about business continuity but also about supporting the socioeconomic fabric and natural ecosystems of these areas. Proactively addressing the global challenges of water scarcity and pollution, Spritzer Bhd's dedicated water stewardship strategies serve to mitigate risks, adapt to regulatory changes, and fortify its operations against the impacts of climate change.

### Strategies for Effective Water Stewardship:

- **Innovative Water Reduction Technologies:**  
Continuing our efforts in advanced rainwater harvesting and water recycling, we aim to adopt cutting-edge technologies that further reduce water usage and enhance water efficiency in our processes.
- **Enhanced Water Quality Measures:**  
Beyond reducing water use, we are committed to improving water quality. This includes investing in advanced water treatment processes and setting stringent internal standards for water discharge.
- **Data-Driven Approach to Water Conservation:**  
Our efforts to collect and analyse water usage data are foundational to our strategic water management plan. This data collection is further enhanced by the implementation of advanced monitoring systems to ensure the efficient use of water resources. We firmly believe that even in areas not currently affected by water stress, proactive measures and preparedness are essential in the face of global climate variability.
- **Adapting to Climate Change with Innovative Initiatives:**  
We have introduced a water management plan that includes time-specific targets to reduce consumption and a detailed water recycling system. Our risk management strategies also include scenario planning for different climate conditions, ensuring that we remain agile and responsive to changing water availability patterns.

At Spritzer Bhd, water stewardship is a core element of our sustainability narrative. Our commitment transcends operational efficiency, embodying a deeper dedication to the health and prosperity of the communities and environments we touch. As we advance, we will continue to innovate and lead in sustainable water practices, contributing to a more water-secure world for generations to come.



**RAINWATER HARVESTING SYSTEM  
AT TAIPING PLANT**

# SUSTAINABILITY STATEMENT

## 14.0 BIODIVERSITY

GRI 3-3

### Related UN SDGs:



Spritzer Bhd's core commitment to biodiversity is embodied in the stewardship of a 430-acre tropical rainforest, a vital source of our natural mineral water. This lush expanse is not just a resource for our products, but a vibrant ecosystem that we are dedicated to protecting and preserving.

- **Guardianship of the Rainforest:**  
Our primary role is as guardians of this rainforest, understanding that its health directly impacts the purity and quality of the mineral water we extract. We employ sustainable practices to ensure that our water sourcing is conducted responsibly, without depleting the forest's natural resources.
- **Biodiversity Preservation:**  
The over 400-acre rainforest is a biodiversity hotspot, home to a myriad of species, both flora and fauna. Our conservation efforts are focused on maintaining this biodiversity, recognising that each species plays a crucial role in the ecological balance of the forest.
- **Ecosystem Protection:**  
We understand that protecting an ecosystem is not just about conserving individual species, but also about preserving the entire ecological network. Our strategies include habitat preservation, pollution control, and minimising our ecological footprint.

### Commitment to Biodiversity

Spritzer Bhd recognises the intrinsic value of biodiversity and the vital role it plays in sustaining life on Earth. Our commitment to biodiversity is a cornerstone of our environmental policy, reflecting our dedication to preserving and enhancing the natural ecosystems that coexist with our business operations.

### Strategic Approach to Biodiversity Conservation

We integrate biodiversity considerations into our decision-making processes and operational activities. This approach ensures that our business practices not only comply with relevant environmental laws and regulations but also proactively contribute to the conservation of biodiversity.

### Actions for Protecting Ecosystems

#### Impact Assessment and Management:

Before undertaking any new projects or expanding existing ones, we conduct thorough environmental impact assessments. These assessments help us in identifying potential impacts on local ecosystems and in developing strategies to mitigate these impacts.

#### Habitat Preservation and Restoration:

We engage in efforts to preserve natural habitats and, where necessary, undertake initiatives to restore ecosystems that have been previously impacted by our activities. This includes reforestation, wetland restoration, and protection of wildlife corridors.

#### Sustainable Resource Use:

Our operations are guided by principles of sustainable resource use. We strive to minimise our ecological footprint by conserving natural resources, reducing waste, and promoting the use of renewable resources.



# SUSTAINABILITY STATEMENT

## Collaboration and Community Engagement

Understanding that biodiversity conservation is a shared responsibility, we actively collaborate with local communities, environmental groups, and governmental agencies. These collaborations aim to enhance biodiversity understanding and promote conservation efforts at the community level. We also engage in educational programs to raise awareness about the importance of biodiversity among our employees and the wider community.

## Continuous Improvement and Innovation

We are committed to the continuous development of best practices in biodiversity conservation. By staying abreast of the latest scientific research and technological advancements, we aim to innovate and improve our biodiversity strategies. This includes investing in biodiversity research and supporting initiatives that contribute to the global understanding of sustainable ecosystems.

Spritzer Bhd is deeply committed to protecting and enhancing biodiversity. Our approach is holistic, proactive, and collaborative, ensuring that we not only comply with environmental regulations but also lead by example in our stewardship of the planet's rich and varied life forms.

## Spritzer EcoPark: A Microcosm of Spritzer Bhd's Biodiversity Efforts

1. Spritzer EcoPark is an extension of our commitment to biodiversity, serving as a tangible representation of our conservation efforts in over 400-acre rainforest.
2. Interactive Biodiversity Education: The park is designed to educate visitors about the rich biodiversity of the tropical rainforest. Through interactive experiences like the Tree Tag Walkabout, visitors gain a deeper understanding and appreciation for the variety of life in these ecosystems.
3. Conservation in Action: Spritzer EcoPark showcases practical conservation efforts, reflecting our broader commitments in the rainforest. This includes initiatives like sustainable landscaping, which mirrors the preservation practices in the larger rainforest.
4. Community Engagement in Biodiversity: The park serves as a community hub for engaging with and learning about biodiversity. We host workshops, tours, and events that foster a connection between the community and the natural world, encouraging collective efforts in conservation.
5. Showcasing Sustainable Practices: Every aspect of Spritzer EcoPark is designed to embody sustainable practices, from energy usage to waste management. These practices not only support the local biodiversity but also serve as a model for sustainable living that visitors can emulate.



# SUSTAINABILITY STATEMENT

## CHAPTER 9: PERFORMANCE DATA TABLE

Indicator	Unit	2021	2022	2023
<b>Economic Performance</b>				
<i>Economic value generated (i.e., revenue and other income)</i>	RM'000	332,999	438,332	494,303
<i>Economic value distributed (i.e., operating costs, employee wages and benefits, payments to providers of capital, payment to government, and community investments)</i>	RM'000	314,836	409,076	450,939
Economic value retained	RM'000	18,163	29,256	43,364
<b>Anti-corruption</b>				
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	-
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	-	-
<b>Health &amp; Safety</b>				
Bursa C5(a) Number of work-related fatalities	Number	-	-	-
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	14.0	24.5	19.1
Bursa C5(c) Number of employees trained on health and safety standards	Number	153	158	200
<i>Total hours worked</i>	Hours	437,382	520,117	523,335
<i>Number of lost time injuries</i>	Days	107	86	28
<b>Cybersecurity &amp; Data Protection</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number	-	-	-
<b>Climate Change</b>				
Bursa C4(a) Total energy consumption	Gigajoules	131,165	163,648	159,468
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> -e	654	731	865
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> -e	28,421	35,460	34,554
<b>Customer Satisfaction</b>				
<i>Customer satisfaction index</i>	Percentage	83	87	86



# SUSTAINABILITY STATEMENT

Indicator	Unit	2021	2022	2023
<b>Employee Management</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	990	1,392	2,271
Executive	Hours	1,866	3,957	5,379
Non-Executive/Technical Staff	Hours	2,046	2,465	3,822
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	15	6	9
Executive	Number	34	35	33
Non-Executive/Technical Staff	Number	173	180	96
<b>Diversity, Equity &amp; Inclusion</b>				
Bursa C3(a) Percentage of employees by gender group				
Male	Percentage	66.0	70.0	70.0
Female	Percentage	34.0	30.0	30.0
Bursa C3(b) Percentage of directors by gender group				
Male	Percentage	88.9	66.7	66.7
Female	Percentage	11.1	33.3	33.3
<b>Human Rights</b>				
Bursa C6(d) Number of substantiated complaints concerning human rights violations				
	Number	-	-	-
<b>Supply Chain Management</b>				
Bursa C7(a) Proportion of spending on local suppliers				
	Percentage	78.0	78.0	63.0
<b>Waste Management</b>				
Bursa C10(a) Total waste generated				
	Metric tonnes	482.3	287.4	228.2
<b>Community Investment</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer				
	RM'000	469	582	1,221
Bursa C2(b) Total number of beneficiaries of the investment in communities				
	Number	41	56	62

\* Italicised fonts represent indicators other than those under the common material matters

## CHAPTER 10: STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement, the Outsourced Internal Auditors have performed an internal review to obtain assurance of the internal controls and processes for collating and reporting of the various economic, environmental and social indicators. They are of the opinion that the Sustainability Statement provides a reasonable and fair presentation of the Group's sustainability performance.

## DIRECTORS' PROFILE

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

Non-Independent  
Non-Executive Chairman

**Malaysian** . Male . Age 79

**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 69

**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.



## DIRECTORS' PROFILE

### LIM SENG LEE

Executive Director and  
Group Chief Executive Officer

Malaysian . Male . Age 48

**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 new 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 to 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.



#### ACILIS BY SPRITZER

*ACILIS by Spritzer aspires to be more green-friendly. Its bottle is made of 30% plant-based material, which is better than the regular PET bottle. The result? Reduction of CO2 emissions for a healthy beverage in a greener packaging.*

### LAM SANG

Executive Director

Malaysian . Male . Age 74

**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, Deputy Chairman of Poi Lam High School (SUWA) and Chairman of Poi Lam Primary School.

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.

## DIRECTORS' PROFILE

### CHOK HOOA @ CHOK YIN FATT, PMP

Non-Independent  
Non-Executive Director

**Malaysian** . Male . Age 77

**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 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.

### TAN CHOW YIN

Non-Independent  
Non-Executive Director

**Malaysian** . Male . Age 50

**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 Massachusetts Institute of Technology, United States of America in 1998. He has been a CFA (Chartered Financial Analyst) charterholder since 2011.

He is a Managing Partner and Investment Committee Member of Dymon Asia Private Equity ("Dymon"). 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.

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



#### SPRITZER SPARKLING WATER

*Spritzer Sparkling fizzes with sparkles and promises more fun and excitement in every refreshing sip. It blends delightfully well with fruit punches and any specialty drinks of your choice.*

*Spritzer Sparkling is indeed a natural & lifestyle drink...*

*Minus the sugar, colourings and preservatives.*

## DIRECTORS' PROFILE

### LOH CHOOI NGAN

Independent Non-Executive Director

**Malaysian** . Female . Age 61

**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 Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

### IR NIK MARNI BINTI NIK MOHAMAD PENNA

Independent Non-Executive Director

**Malaysian** . Female . Age 39



#### SPRITZER SO TINGE

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

**Ir Nik Marni binti Nik Mohamad Penna**, was appointed to the Board on March 27, 2023. She obtained a Degree of Bachelor of Civil Engineering (Honours) from University of Technology Malaysia in 2008 and admitted as Professional Engineer to the Board of Engineers Malaysia in 2019.

Ir Nik Marni started her career as a trainee Engineer at Nik Jai Associates Sdn Bhd in 2010 and after a year she was accepted as a Civil Engineer. She was promoted to Senior Executive Engineer in 2018 and after that was appointed as a Director of Nik Jai Associates Sdn. Bhd. in 2019 until to date.

During her service as a Civil and Structural Engineer, she was in charge of planning, design and supervision of projects specialise in Road and Highways, Water Supply and Geotechnical Works.

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



## DIRECTORS' PROFILE

### HANANI HAYATI BINTI MOHD ADHAN

Independent Non-Executive Director

Malaysian . Female . Age 33

**Hanani Hayati binti Mohd Adhan**, was appointed to the Board on March 27, 2023. She graduated with a Bachelor of Laws (Honours) Degree from University of Malaya in 2015.

She started her career as a trainee solicitor in March 2015 at Messrs Azmi & Associates, one of the largest and established law firm in Malaysia with more than 80 solicitors. The firm is a full-service international law firm and was established in September 2000. She was called to the Malaysian Bar and admitted to the role of Advocate and Solicitor in January 2016 and was thereafter promoted as a Senior Associate in July 2020. She continued to serve at Messrs Azmi & Associates as a Senior Associate until July 2021.

She then moved to Messrs Adhan & Yap as a Senior Associate in August 2021. She has been promoted as Managing Partner and has been managing the firm's branch at Tanah Merah since January 2023.

She is a member of the Audit Committee and Nomination 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.



#### SPRITZER TINGE

*Spritzer TINGE is the exciting natural mineral water that comes with a choice of Grape, Lemon or Fruit Fusion flavour. Unlike most flavoured drinks in the market, TINGE is a non-carbonated and refreshing flavoured drink with no added colouring specially created for teens who adore celebrities.*



#### SPRITZER DISPENSER

*Premium water doesn't have to be hard to come by, bring home a Spritzer Dispenser series curated for your exact purpose. From the Spritzer Hot & Cold dispenser perfect for home, office or hotel use to our lightweight Spritzer Mini Dispenser, there's something for everyone.*

## 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 72, 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. 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 was appointed as Independent Non-Executive Chairman of Kawan Renergy Berhad on June 26, 2023.

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 46, 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.

## KEY SENIOR MANAGEMENT'S PROFILE

### SOW YENG CHONG

Group Financial Controller

**Sow Yeng Chong**, aged 67, male, a Malaysian and joined Spritzer Bhd in October 2009 as the Group Financial Controller.

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 was a Joint Company Secretary of Spritzer Bhd since 2010 until November 27, 2023.

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.

### CHONG MEE YOONG

Deputy General Manager

**Chong Mee Yoong**, aged 59, 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

Head of Production & Engineering

**Tan Eng Bong**, aged 58, 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.

### CHAN SHIAO CHEW

Head of Marketing

**Chan Shiao Chew**, aged 42, female, a Malaysian and joined Chuan Sin Sdn Bhd in June 2021 as Group Marketing Manager. She graduated with a Bachelor of Economics in University of Malaya in Malaysia.

She has over 18 years of brand marketing experience in the FMCG Industry covering Asia such as Malaysia, SEA and China. She has worked in both local and regional MNCs such as Arla Foods, Unilever etc managing various F&B brands and categories. Over the years, she has also played numerous roles as a brand consultant, a facilitator, a trainer, a speaker and presenter in various regional and local summits and workshops.

She is an EXCO member of the Company.

#### Additional Information:-

1. Save for Dr Chuah Chaw Teo and 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, 2023.

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

Loh Chooi Ngan (*re-designated as Chairman w.e.f. March 27, 2023*)

Dato’ Ir Nik Mohamad Pena bin Nik Mustapha (*ceased as Chairman w.e.f. March 23, 2023*)

*Independent Non-Executive Director*

### Members

Chok Hooa @ Chok Yin Fatt

*Non-Independent Non-Executive Director*

Nik Marni binti Nik Mohamad Pena (*appointed as Member w.e.f. March 27, 2023*)

Hanani Hayati binti Mohd Adhan (*appointed as Member w.e.f. March 27, 2023*)

Dato’ Mohd Adhan bin Kechik (*ceased as Member w.e.f. March 23, 2023*)

*Independent Non-Executive Directors*

### Composition

The AC, appointed by the Board from amongst its members, 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, 2023, four (4) meetings were held and the details of attendance of each AC members are as follows:

AC Members	Attendance
Loh Chooi Ngan	4/4
Chok Hooa @ Chok Yin Fatt	4/4
Nik Marni binti Nik Mohamad Pena ( <i>appointed as Member w.e.f. March 27, 2023</i> )	3/4
Hanani Hayati binti Mohd Adhan ( <i>appointed as Member w.e.f. March 27, 2023</i> )	3/4
Dato’ Ir Nik Mohamad Pena bin Nik Mustapha ( <i>ceased as Chairman w.e.f. March 23, 2023</i> )	1/4
Dato’ Mohd Adhan bin Kechik ( <i>ceased as Member w.e.f. March 23, 2023</i> )	1/4

# AUDIT COMMITTEE REPORT

## SUMMARY OF WORKS OF THE AUDIT COMMITTEE

During financial year ended December 31, 2023, 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:-

<b>Date of meetings</b>	<b>Review of unaudited quarterly financial results and audited financial statements</b>
February 27, 2023	Fourth quarter unaudited financial results as well as the audited financial statements of the Group for the financial year ended December 31, 2022
May 30, 2023	First quarter unaudited financial results ended March 31, 2023
August 29, 2023	Second quarter unaudited financial results ended June 30, 2023
November 27, 2023	Third quarter unaudited financial results ended September 30, 2023
February 28, 2024	Fourth quarter unaudited financial results as well as the audited financial statements of the Group for the financial year ended December 31, 2023

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 2023.



# AUDIT COMMITTEE REPORT

## **External Audit**

1. Reviewed with the External Auditors at the meeting held on November 27, 2023, their audit plan in respect of the financial year ended December 31, 2023, 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 28, 2024 without the presence of Management during the review of the Progress Report to those charged with governance for the financial year ended December 31, 2023 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, 2023, 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, 2023 at its meeting held on February 27, 2023 at a fee to be determined later.

## **Internal Audit**

1. Reviewed and approved the Internal Audit Plan for the financial year ended December 31, 2023 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, had 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, Whistle Blowing 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 2023 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, 2023 amounted to RM52,564.00.

# AUDIT COMMITTEE REPORT

## **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 2023. 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 2023 (“CG Report 2023”) 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, 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Mr Sow Yeng Chong had resigned as a Joint Secretary of the Company on November 27, 2023. In replace thereof, Ms Chow Shan Lee, who is qualified to act as company secretary under Section 235(2) of the Companies Act 2016, was appointed as a Joint Secretary of the Company on the same date.

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.

##### 1.6 Meeting Materials

All Directors are provided with the Board meeting agenda and Board papers which contain among others, the Company's financial performance and business outlook prior to the Board meeting. The Board papers are issued in advance and in a timely manner to facilitate informed decision-making process. The Managing Director, Group Chief Executive Officer and Executive Director would lead the presentation of Board papers and provide comprehensive explanations of strategy and business plans, business performance, potential mergers and acquisitions and other pertinent issues. Any proposals and recommendations by Management will be discussed at the EXCO level and then the recommendation from EXCO will be put forth to the Board and seek approval from the Board. All matters raised, deliberations, decisions and conclusions including dissenting views made at the Board meetings with clear actions to be taken by responsible parties are recorded in the minutes.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I – Board Responsibilities (Cont'd)

#### 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>.

#### 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.

The Board has on February 28, 2024 adopted the Policy on Conflict of Interest to ensure that the proper processes and procedures are adhered to and undertaken by the Directors and Key Senior Management of the Group in respect of circumstances which could give rise to conflicts of interest including circumstances which, arising from such interest, could entail the entry by the Group into Related Party Transactions.

##### 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.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part I – Board Responsibilities (Cont'd)

#### 4. Sustainability (Cont'd)

##### 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.

##### 4.4 Sustainability Risks and Opportunities

The performance of the Board and Senior Management in addressing the Group’s material sustainability risks and opportunities refers to the effectiveness of the oversight and management of the ESG strategy, as well as associated goals and metrics, including the identification and integration of non-financial KPIs.

KPIs in relation to ESG have been embedded in the scorecards of GCEO and also EXCO of Spritzer.

We are pleased to report that in August 2023, our automated warehouse at our Taiping mineral water plant, which is a certified green building has garnered two prestigious awards, namely (1) The National Energy Awards 2023 in the category of Efficient Energy Building – Zero Energy Building; and (2) The ASEAN Energy Awards 2023 also in the category of Efficient Energy Building.

Further details on the Spritzer Group sustainability risks and opportunities are set out in the Sustainability Statement of this Annual Report.

### 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, 2023. 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.

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

Following the amendments to the Listing Requirements on the enhancement in relation to the independent directors which limit the tenure of Independent Directors up to 12 years, the 2-tier voting process shall apply up to the 12<sup>th</sup> year only. The Independent Directors shall be redesignated as Non-Independent Directors by June 1, 2023 if the Company still intends to retain him.

The two independent directors, namely Dato’ Mohd Adhan bin Kechik and Dato’ Ir Nik Mohamad Pena bin Nik Mustapha, who have served on the Board for a cumulative term of more than twelve (12) years, had on March 23, 2023 resigned as Independent Non-Executive Directors of the Company; and they are two new Independent Non-Executive Directors appointed to fill the vacancies on March 27, 2023.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part II – Board Composition (Cont'd)

#### 5. Board's objectivity (Cont'd)

##### 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.

##### 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 had 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 31<sup>st</sup> AGM have been assessed through the Board and the NC evaluations.

##### 5.8 Chairman of the NC

The NC is chaired by Ms Loh Chooi Ngan, 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.

##### 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 Company appointed another 2 female directors as Independent Non-Executive Directors on March 27, 2023 subsequent to the resignation of 2 male directors on March 23, 2023.

For the financial year ended December 31, 2023, the Board has total three female directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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, 2023, five (5) Board meetings were held and the attendance is as follows:

Directors	Attendance
Dato' Lim A Heng @ Lim Kok Cheong	5/5
Dato' Lim Kok Boon	5/5
Lim Seng Lee	5/5
Lam Sang	5/5
Chok Hooa @ Chok Yin Fatt	5/5
Tan Chow Yin	5/5
Loh Chooi Ngan	5/5
Ir Nik Marni binti Nik Mohamad Pena (Appointed on March 27, 2023)	3/5
Hanani Hayati binti Mohd Adhan (Appointed on March 27, 2023)	3/5
Dato' Ir Nik Mohamad Pena bin Nik Mustapha (Resigned on March 23, 2023)	1/5
Dato' Mohd Adhan bin Kechik (Resigned on March 23, 2023)	1/5

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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, 2023. 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	Looking Beyond Uncertainties in 2023
Dato' Lim Kok Boon	Looking Beyond Uncertainties in 2023 Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Lim Seng Lee	Moving towards a Circular Economy in ASEAN : Challenges, Opportunities & Applications of Plastic Recycling Industry An Introduction to Design Thinking Kazuo Inamori's 'Amoeba Management' Looking Beyond Uncertainties in 2023 Power Chat and Official Launching – 17 <sup>th</sup> World Chinese Entrepreneurs Convention International Greentech & Eco Product Exhibition and Conference Malaysia Introduction to Positive Intelligence - How You Can Achieve Your True Potential
Lam Sang	Looking Beyond Uncertainties in 2023
Chok Yin Fatt	Looking Beyond Uncertainties in 2023 National Climate Governance Summit Corporate Talk 2023: Environmental, Social and Governance - Steps Towards Sustainability MAICSA Annual Conference 2023 - Revitalising Governance Towards Sustainability
Tan Chow Yin	Annual Cayman Islands-Specific Anti-Money Laundering / Counter-Financing of Terrorism (AML/CFT) Anti-Money Laundering Looking Beyond Uncertainties in 2023 Data Protection by Dymon Asia (Compliance)
Loh Chooi Ngan	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers Looking Beyond Uncertainties in 2023 Conflict of Interest and Governance of Conflict of Interest
Ir Nik Marni binti Nik Mohamad Pena	Bursa Malaysia Mandatory Accreditation Programme Looking Beyond Uncertainties in 2023
Hanani Hayati binti Mohd Adhan	Bursa Malaysia Mandatory Accreditation Programme Looking Beyond Uncertainties in 2023

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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, 2023, 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, 2023, the RC convened meeting on February 27, 2023. Full attendances of the members were recorded for the meetings.

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



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### Part III – Remuneration (Cont'd)

#### 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, 2023 are categorised as follows:

##### The Company

Non-Executive Directors	Fees RM'000	Meeting Allowance RM'000	Salaries RM'000	Bonus RM'000	Equity-	Benefits in-kind RM'000	Other Emoluments RM'000	Total RM'000
					settled Share-based Payment RM'000			
Dato' Lim Kok Cheong	38.0	2.5	-	-	-	-	-	40.5
Chok Yin Fatt	34.0	5.5	-	-	-	-	-	39.5
Loh Chooi Ngan	36.0	5.5	-	-	-	-	-	41.5
Tan Chow Yin	-	-	-	-	-	-	-	-
Ir Nik Marni binti Nik Mohamad Pena*	34.0	3.0	-	-	-	-	-	37.0
Hanani Hayati binti Mohd Adhan*	34.0	3.0	-	-	-	-	-	37.0
Dato' Ir Nik Mohamad Pena bin Nik Mustapha#	-	1.5	-	-	-	-	53.0	54.5
Dato' Mohd Adhan bin Kechik#	-	2.0	-	-	-	-	50.0	52.0
<b>Executive Directors</b>								
Dato' Lim Kok Boon	34.0	2.5	-	-	-	-	-	36.5
Lim Seng Lee	34.0	2.5	-	-	-	-	-	36.5
Lam Sang	34.0	2.5	-	-	-	-	-	36.5
<b>Total</b>	<b>278.0</b>	<b>30.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103.0</b>	<b>411.5</b>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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 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	80.0	2.5	-	-	-	31.0	474.0	587.5
Chok Yin Fatt	34.0	5.5	-	-	-	-	56.4	95.9
Loh Chooi Ngan	36.0	5.5	-	-	-	-	-	41.5
Tan Chow Yin	-	-	-	-	-	-	-	-
Ir Nik Marni binti Nik Mohamad Pena*	34.0	3.0	-	-	-	-	-	37.0
Hanani Hayati binti Mohd Adhan*	34.0	3.0	-	-	-	-	-	37.0
Dato' Ir Nik Mohamad Pena bin Nik Mustapha#	-	1.5	-	-	-	-	53.0	54.5
Dato' Mohd Adhan bin Kechik#	-	2.0	-	-	-	-	59.3	61.3
<b>Executive Directors</b>								
Dato' Lim Kok Boon	67.0	2.5	1,460.2	(235.6)	354.1	84.7	198.4	1,931.3
Lim Seng Lee	34.0	5.0	1,178.0	880.0	354.1	26.1	346.3	2,823.5
Lam Sang	48.0	5.0	499.8	196.4	282.4	15.7	90.2	1,137.5
<b>Total</b>	<b>367.0</b>	<b>35.5</b>	<b>3,138.0</b>	<b>840.8</b>	<b>990.6</b>	<b>157.5</b>	<b>1,277.6</b>	<b>6,807.0</b>

\* Appointed on March 27, 2023

# Resigned on March 23, 2023

##### 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### Part I – AC

#### 9.1 Chairman of the AC

During the financial year ended December 31, 2023, the AC is chaired by an Independent Director, namely Ms Loh Chooi Ngan, who was re-designated as Chairman of the AC on March 27, 2023 and distinct from the Chairman of the Board.

#### 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, 2023. 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 30<sup>th</sup> AGM of the Company based on the credentials and resources of Deloitte PLT.

#### 9.4 Composition of AC

For the financial year ended 31<sup>st</sup> December 2023, the AC of the Company 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.

All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

### 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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 a Bachelor Degree. The Head of Internal Audit Team has extensive experience in the field of internal audit, accounting and risk management functions.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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 30<sup>th</sup> 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.

#### 13.2 Attendance of Directors in AGM

All the Directors of the Company attended the 30<sup>th</sup> AGM physically on May 30, 2023.

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 30<sup>th</sup> AGM. All members of the Board, Group Financial Controller, Company Secretaries and external auditors were present at the 30<sup>th</sup> AGM to respond to questions raised by the shareholders or proxies.

#### 13.3 Leverage Technology in convening AGM

The Board strives to ensure that shareholders are able to participate effectively in the Company's AGMs. In circumstances where there are movement controls and travel restrictions imposed by the Government, the Company has the option to conduct its general meetings virtually and entirely via remote voting using the Remote Participation and Voting Facilities.

#### 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 30<sup>th</sup> AGM of the Company and that adequate responses were given.

Shareholders were also encouraged to send in their questions prior to the AGM via email or through the online platform provided by the Company.

During the 30<sup>th</sup> AGM, the Group Financial Controller gave a presentation on the brief overview of Spritzer's performance for the financial year 2022 to the shareholders. To ensure transparency, questions submitted in advance by the Minority Shareholders Watch Group were presented to the shareholders at the 30<sup>th</sup> AGM together with the Group's response.

All suggestions and comments given by the shareholders were noted by the Board for consideration.

#### 13.5 Conduct of Virtual AGM

After the Government lifted the movement controls and travel restrictions, the Company conducted its 30<sup>th</sup> AGM physically at a venue familiar to shareholders instead of virtual AGM.

#### 13.6 Outcome and Minutes of AGM

The Chairman announced the voting results of all the resolutions tabled before the closure of the 30<sup>th</sup> AGM and the outcome of the 30<sup>th</sup> AGM was 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 16, 2024.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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, 2023.

### 2. Audit and Non-audit Services Fees

For the financial year ended December 31, 2023, the amount of audit and non-audit fees paid/payable to the Company's external auditors and its member firms are as follows:

	The Group RM'000	The Company RM'000
Audit fees	233	56
Non-assurance services	1	-
<b>Total</b>	<b>234</b>	<b>56</b>

### 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, 2023 is 7,604,400. During the financial year, 3,982,300 units of the SGP shares were vested and the Company issued 2,883,400 new ordinary shares and transferred 1,098,900 treasury shares to Eligible Employees on January 9 and 11, 2023, respectively.

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

	As of 1.1.2023 '000 units	Vested '000 units	Bonus Issue '000 units	Lapsed '000 units	As of 31.12.2023 '000 units
Executive Directors	3,251	(1,434)	908	-	<b>2,725</b>
Key management personnel	3,087	(1,270)	830	(157)	<b>2,490</b>
Others	2,952	(1,278)	796	(81)	<b>2,389</b>
<b>Total</b>	<b>9,290</b>	<b>(3,982)</b>	<b>2,534</b>	<b>(238)</b>	<b>7,604</b>

# 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. 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 also to 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 reviewed the internal audit reports and other internal control issues identified by the Internal Auditors.
- The EXCO, which consists of three Board members 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.
- 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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## CONTROL ACTIVITIES (CONT'D)

- 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 to 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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## MAIN RISK AREAS

The 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 Group has continued to employ 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.
- 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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## MAIN RISK AREAS (CONT'D)

### (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, 2023. 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 16, 2024.



# DIRECTORS' RESPONSIBILITY STATEMENT

In Respect of the Audited Financial Statements for the Financial Year Ended December 31, 2023

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, 2023 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, 2023 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.

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# 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, 2023.

## PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The subsidiaries are principally involved in the production and sale 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 proportion of ownership interest and voting power 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
<b>Profit for the year attributable to owners of the Company</b>	<u>49,486</u>	<u>13,573</u>

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 6.25 sen per share, under the single-tier system, amounting to RM13,303,218, proposed in the previous financial year and dealt with in the previous directors' report was paid on June 23, 2023.

The directors have proposed a first and final dividend of 5.50 sen per share, under the single-tier system, in respect of the current financial year. The proposed dividend of 5.50 sen is a 32% increase from 4.17 sen (6.25 sen per share, restated based on enlarged capital after Bonus Issue) paid during the year in respect of the previous financial year ended December 31, 2022. 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, 2024.

## 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

On January 9, 2023, the Board of Directors of the Company approved an allotment of a total of 2,883,400 shares of the Company at an issue price of RM2.235 pursuant to the Employees' Share Grant Plan. The new issued shares rank pari passu with the then existing ordinary shares of the Company.

On May 30, 2023, at the 30<sup>th</sup> Annual General Meeting, the shareholders approved a bonus issue of up to 106,438,063 new ordinary shares in Spritzer ("Spritzer Share(s)") ("Bonus Share(s)") on the basis of 1 Bonus Share for every 2 existing Spritzer Shares issued as fully paid shares at nil consideration and without capitalisation of the Company's reserves.

A total of 106,438,018 Bonus Shares was issued on June 21, 2023 and the Bonus Issue was completed following the listing of and quotation for the 106,438,018 Bonus Shares on Bursa Malaysia Securities Berhad on June 22, 2023. The Bonus Shares issued rank pari passu with the then existing ordinary shares of the Company.

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

# DIRECTORS' REPORT

## ISSUE OF SHARES AND DEBENTURES (CONT'D)

### Treasury Shares

During the financial year, the Company repurchased 2,985,900 of its own shares at a total consideration of RM4,940,729. As of December 31, 2023, the Company held a total of 3,022,800 shares as treasury shares at a carrying amount of RM4,955,902. Further relevant details are disclosed in Note 27(b) to the financial statements.

### 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 of 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 35 to the financial statements.

During the financial year, 3,982,300 units of the SGP shares were vested on January 3, 2023 and the Company issued 2,883,400 new ordinary shares and transferred 1,098,900 treasury shares to Eligible Employees and Executive Directors on January 9 and 11, 2023, respectively.

Subsequent to the financial year end, 3,010,800 units of the SGP shares were vested on January 2, 2024 and the Company transferred 3,010,800 treasury shares to Eligible Employees and Executive Directors of the Group on January 10, 2024.

## 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.

# DIRECTORS' REPORT

## OTHER STATUTORY INFORMATION (CONT'D)

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 as disclosed in Note 39 to the financial statements.

## 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  
Mr Tan Chow Yin  
Ms Loh Chooi Ngan  
Ir. Nik Marni binti Nik Mohamad Pena  
Cik Hanani Hayati binti Mohd Adhan

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

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  
Dr Chuah Chaw Teo  
Y Bhg Datin Chua Shok Tim @ Chua Siok Hoon  
Mr Lim Ee Young

### Subsidiaries

AG, CS, CSC, GPI, PM, SEP  
AG, CS, CSC, PM, SD, SEP, SPR HK, SPR GZ  
SD, SEP, SPR HK, SPR GZ  
GPI, PM  
AG, CS, GPI, PM, SEP  
CS, CSC  
SPR GZ

### 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
SEP	Spritzer EcoPark Sdn Bhd
SPR GZ	Spritzer (Guangzhou) Trading Limited
SPR HK	Spritzer (Hong Kong) Limited

# DIRECTORS' REPORT

## 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				As of 31.12.2023
	As of 1.1.2023	Bought	Sold	Bonus Issue	
<b>Shares in the Company</b>					
<b>Registered in the name of directors</b>					
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	10,977,007	1,436,200	-	5,817,253	18,230,460
Y Bhg Dato' Lim Kok Boon, DPMP	7,000,000	921,800	-	3,846,900	11,768,700
Mr Lim Seng Lee	1,375,566	462,700	-	919,133	2,757,399
Mr Lam Sang	1,108,082	500,100	-	739,091	2,347,273
Mr Chok Hooa @ Chok Yin Fatt, PMP	190,500	-	-	95,250	285,750
<b>Deemed interests by virtue of shares held by companies in which the directors have interests</b>					
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	92,857,394	1,450,600	-	46,648,146	140,956,140
Y Bhg Dato' Lim Kok Boon, DPMP	3,407,000	-	-	1,703,500	5,110,500
Mr Lim Seng Lee	3,407,000	-	-	1,703,500	5,110,500
<b>Deemed interests by virtue of shares held by immediate family members of the directors</b>					
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	2,645,597	330,900	-	1,378,248	4,354,745
Y Bhg Dato' Lim Kok Boon, DPMP	1,608,899	925,400	-	1,267,149	3,801,448
Mr Lim Seng Lee	244,000	115,500	-	179,750	539,250

	Number of share grants			As of 31.12.2023
	As of 1.1.2023	Vested	Bonus Issue	

## Share grants in the Company

### Registered in the name of directors

Y Bhg Dato' Lim Kok Boon, DPMP	1,049,000	(462,700)	293,150	879,450
Mr Lim Seng Lee	1,049,000	(462,700)	293,150	879,450
Mr Lam Sang	839,000	(370,100)	234,450	703,350

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.

None of the other directors in office at the end of the financial year held shares in the Company during or at the beginning and end of the financial year. Under the Company's Constitution, the directors are not required to hold shares in the Company.



# DIRECTORS' REPORT

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company have 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 below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest 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 24 to the financial statements.

### Directors' remuneration

	The Group RM'000	The Company RM'000
<b>Directors of the Company</b>		
Fees	367	278
Equity-settled share-based payments	991	-
Other emoluments	<u>5,292</u>	<u>133</u>
	<u>6,650</u>	<u>411</u>
Benefits-in-kind*	<u>157</u>	<u>-</u>

\* Represents estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash.

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	<u>6</u>	<u>2</u>

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, 2023 is as follows:

	The Group RM'000	The Company RM'000
Auditors' remuneration - audit fees	<u>252</u>	<u>56</u>

# DIRECTORS' REPORT

## **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,

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**Y BHG DATO' LIM KOK BOON, DPMP**  
Managing Director

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**MR LIM SENG LEE**  
Executive Director

Ipoh,  
April 16, 2024

# INDEPENDENT AUDITORS' REPORT

To The Members of Spritzer Bhd

## 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, 2023, and the statements of profit or loss, statements of 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 material accounting policy information, as set out on pages 95 to 156.

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, 2023, 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 of the Group	Our audit performed and responses thereon
<p>Trade receivables, including other related parties, represent 47% 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 23 to the financial statements for further information on trade receivables.</p> <p>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.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>• tested the relevant controls surrounding management's assessment and recognition of impairment losses of receivables.</li> <li>• 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.</li> <li>• 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.</li> <li>• assessed and evaluated the adequacy of allowance for doubtful debts on long outstanding debtors and those who exceeded credit period or limit.</li> <li>• evaluated management's assessment to support the collectability of receivables.</li> </ul>

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.

# INDEPENDENT AUDITORS' REPORT

To The Members of Spritzer Bhd

## 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.
- 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.

# INDEPENDENT AUDITORS' REPORT

To The Members of Spritzer Bhd

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

- 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)**

**ALVIN CHANG SHU-WEI**  
**Partner - 03480/01/2026 J**  
**Chartered Accountant**

Ipoh,  
April 16, 2024

# STATEMENTS OF PROFIT OR LOSS

For The Year Ended December 31, 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	5	<b>490,675</b>	433,300	<b>11,185</b>	7,440
Other gains and losses	7	<b>3,628</b>	5,032	<b>3,951</b>	3,484
Changes in inventories of finished goods, trading merchandise and work-in-progress		<b>(735)</b>	2,582	-	-
Purchase of finished goods and trading merchandise		<b>(6,765)</b>	(27,995)	-	-
Raw materials consumed		<b>(172,899)</b>	(152,204)	-	-
Employee benefit expenses	7	<b>(79,663)</b>	(69,226)	<b>(411)</b>	(304)
Depreciation and amortisation	8	<b>(22,544)</b>	(19,764)	-	-
Finance costs	11	<b>(1,613)</b>	(858)	<b>(78)</b>	(81)
Other expenses	7	<b>(144,225)</b>	(125,667)	<b>(284)</b>	(190)
Share of results of an associated company		<b>65</b>	-	-	-
Profit before tax		<b>65,924</b>	45,200	<b>14,363</b>	10,349
Tax expense	12	<b>(16,438)</b>	(8,235)	<b>(790)</b>	(691)
<b>Profit for the year attributable to owners of the Company</b>		<b>49,486</b>	36,965	<b>13,573</b>	9,658
<b>Earnings per share</b>					
Basic (sen)	13	<b>15.54</b>	11.75		
Diluted (sen)	13	<b>15.18</b>	11.40		

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



# STATEMENTS OF OTHER COMPREHENSIVE INCOME

For The Year Ended December 31, 2023

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the year	<b>49,486</b>	36,965	<b>13,573</b>	9,658
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to the statements of profit or loss:</b>				
Fair value (loss)/gain on investment in equity instrument designated as at fair value through other comprehensive income ("FVTOCI")	<b>(644)</b>	1,419	-	-
<b>Items that may be reclassified subsequently to the statements of profit or loss:</b>				
Exchange differences on translating foreign entities	<b>(135)</b>	144	-	-
<b>Other comprehensive (loss)/income for the year</b>	<b>(779)</b>	1,563	-	-
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<b>48,707</b>	38,528	<b>13,573</b>	9,658

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

# STATEMENTS OF FINANCIAL POSITION

For The Year Ended December 31, 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	<b>473,406</b>	411,936	-	-
Right-of-use assets	15	<b>1,956</b>	432	-	-
Investment properties	16	<b>5,537</b>	5,380	-	-
Investment in subsidiaries	17	-	-	<b>111,170</b>	116,630
Investment in an associated company	18	<b>2,317</b>	-	-	-
Other investments	19	<b>2,577</b>	3,221	-	-
Goodwill on consolidation	20	<b>40</b>	40	-	-
Other intangible asset	21	<b>222</b>	227	-	-
<b>Total non-current assets</b>		<b>486,055</b>	421,236	<b>111,170</b>	116,630
<b>Current assets</b>					
Other investments	19	<b>12,993</b>	21,122	<b>12,740</b>	15,959
Inventories	22	<b>41,445</b>	44,097	-	-
Trade and other receivables	23	<b>95,992</b>	82,191	<b>113,164</b>	113,167
Current tax assets	12	<b>3,864</b>	5,543	-	-
Other assets	25	<b>17,317</b>	5,074	<b>3</b>	3
Fixed deposits, cash and bank balances	26	<b>30,244</b>	21,691	<b>7,163</b>	107
<b>Total current assets</b>		<b>201,855</b>	179,718	<b>133,070</b>	129,236
<b>Total assets</b>		<b>687,910</b>	600,954	<b>244,240</b>	245,866

# STATEMENTS OF FINANCIAL POSITION

For The Year Ended December 31, 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	27(a)	<b>223,239</b>	216,571	<b>223,239</b>	216,571
Treasury shares	27(b)	<b>(4,956)</b>	(2,248)	<b>(4,956)</b>	(2,248)
Reserves	28	<b>308,748</b>	279,157	<b>25,477</b>	31,020
<b>Total equity</b>		<b>527,031</b>	493,480	<b>243,760</b>	245,343
<b>Non-current liabilities</b>					
Lease liabilities	29	<b>1,187</b>	101	-	-
Borrowings	30	<b>30,438</b>	-	-	-
Deferred tax liabilities	31	<b>29,756</b>	22,510	-	-
<b>Total non-current liabilities</b>		<b>61,381</b>	22,611	-	-
<b>Current liabilities</b>					
Trade and other payables	32	<b>41,450</b>	36,750	<b>5</b>	76
Lease liabilities	29	<b>558</b>	231	-	-
Borrowings	30	<b>17,286</b>	16,095	-	-
Current tax liabilities	12	<b>831</b>	172	<b>135</b>	151
Other liabilities	33	<b>39,373</b>	31,615	<b>340</b>	296
<b>Total current liabilities</b>		<b>99,498</b>	84,863	<b>480</b>	523
<b>Total liabilities</b>		<b>160,879</b>	107,474	<b>480</b>	523
<b>Total equity and liabilities</b>		<b>687,910</b>	600,954	<b>244,240</b>	245,866

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

# STATEMENT OF CHANGES IN EQUITY

For The Year Ended December 31, 2023

The Group	Note	Non-distributable Reserves					Total Equity RM'000	
		Share Capital RM'000	Treasury Shares RM'000	Equity-Settled Employee Benefits Reserve RM'000	Investment Revaluation Reserve RM'000	Translation Reserve RM'000		Distributable Reserve - Retained Earnings RM'000
<b>As of January 1, 2022</b>		216,571	(14)	9,018	-	(395)	237,570	462,750
Profit for the year		-	-	-	-	-	36,965	36,965
Other comprehensive income for the year		-	-	-	1,419	144	-	1,563
Total comprehensive income for the year		-	-	-	1,419	144	36,965	38,528
Recognition of share-based payments		-	-	3,885	-	-	-	3,885
Payment of dividend	34	-	-	-	-	-	(9,449)	(9,449)
Own shares acquired during the year	27(b)	-	(2,234)	-	-	-	-	(2,234)
<b>As of December 31, 2022</b>		216,571	(2,248)	12,903	1,419	(251)	265,086	493,480
Profit for the year		-	-	-	-	-	49,486	49,486
Other comprehensive loss for the year		-	-	-	(644)	(135)	-	(779)
Total comprehensive income for the year		-	-	-	(644)	(135)	49,486	48,707
Recognition of share-based payments		-	-	3,088	-	-	-	3,088
Payment of dividend	34	-	-	-	-	-	(13,303)	(13,303)
Own shares acquired during the year	27(b)	-	(4,941)	-	-	-	-	(4,941)
Employees share grant plan shares vested		6,668	2,233	(8,722)	-	-	(179)	-
<b>As of December 31, 2023</b>		<b>223,239</b>	<b>(4,956)</b>	<b>7,269</b>	<b>775</b>	<b>(386)</b>	<b>301,090</b>	<b>527,031</b>

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

# STATEMENT OF CHANGES IN EQUITY

For The Year Ended December 31, 2023

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
<b>As of January 1, 2022</b>		216,571	(14)	9,018	17,908	243,483
Profit and total comprehensive income for the year		-	-	-	9,658	9,658
Recognition of share-based payments		-	-	3,885	-	3,885
Payment of dividend	34	-	-	-	(9,449)	(9,449)
Own shares acquired in the year	27(b)	-	(2,234)	-	-	(2,234)
<b>As of December 31, 2022</b>		216,571	(2,248)	12,903	18,117	245,343
Profit and total comprehensive income for the year		-	-	-	13,573	13,573
Recognition of share-based payments		-	-	3,088	-	3,088
Payment of dividend	34	-	-	-	(13,303)	(13,303)
Own shares acquired during the year	27(b)	-	(4,941)	-	-	(4,941)
Employee share grant plan shares vested		6,668	2,233	(8,722)	(179)	-
<b>As of December 31, 2023</b>		<b>223,239</b>	<b>(4,956)</b>	<b>7,269</b>	<b>18,208</b>	<b>243,760</b>

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

# STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2023

	Note	The Group	
		2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Profit for the year		49,486	36,965
Adjustments for:			
Depreciation of property, plant and equipment		22,263	19,501
Tax expense recognised in the statement of profit or loss		16,438	8,235
Equity-settled share-based payments		3,088	3,885
Finance costs		1,613	858
Impairment losses recognised on receivables		907	-
Property, plant and equipment written off		829	409
Depreciation of right-of-use assets		297	260
Inventories written off		245	613
Amortisation of intangible asset		5	5
Interest income		(529)	(355)
Investment revenue		(407)	(261)
Gain on disposal of:			
Property, plant and equipment		(257)	(104)
Other investments		(32)	(88)
Inventories written back		(143)	(10)
Fair value gain on:			
Other investments		(139)	(491)
Investment properties		-	(40)
Unrealised gain on foreign exchange		(122)	(95)
Share of results of an associated company		(65)	-
Credit losses reversed		(19)	(7)
Reversal of impairment loss on receivables		(2)	(3)
Receivables written off		-	3
		<b>93,456</b>	<b>69,280</b>
Movements in working capital:			
Increase/(Decrease) in:			
Inventories		2,550	(9,381)
Trade and other receivables		(14,699)	(10,485)
Other assets		(720)	(250)
(Decrease)/Increase in:			
Trade and other payables		(53)	(6,328)
Other liabilities		5,157	2,864
Cash Generated From Operations		<b>85,691</b>	<b>45,700</b>
Interest received		529	355
Income tax paid		(8,840)	(5,314)
Income tax refunded		1,986	-
Net Cash From Operating Activities		<b>79,366</b>	<b>40,741</b>



# STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2023

	Note	The Group	
		2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Proceeds from disposal of other investments		<b>33,855</b>	174,489
Proceeds from disposal of property, plant and equipment		<b>1,364</b>	295
Investment revenue		<b>102</b>	101
Purchase of property, plant and equipment	37(a)	<b>(78,042)</b>	(102,775)
Placement of other investments		<b>(25,250)</b>	(109,064)
Deposits paid for purchase of property, plant and equipment		<b>(11,743)</b>	(1,072)
Subscription of shares in an associated company		<b>(2,252)</b>	-
Purchase of investment property		<b>(157)</b>	-
Withdrawal of fixed deposit		-	23
Subscription of shares in other investments		-	(802)
Net Cash Used In Investing Activities		<b>(82,123)</b>	(38,805)
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Proceeds from revolving credits - net	37(b)	<b>34,634</b>	7,151
Dividend paid		<b>(13,303)</b>	(9,449)
Purchase of own shares		<b>(4,941)</b>	(2,234)
(Repayment of)/Proceeds bankers' acceptances - net	37(b)	<b>(2,586)</b>	3,036
Finance costs paid		<b>(1,613)</b>	(858)
(Repayment of)/Proceeds multi-currency trade loan	37(b)	<b>(419)</b>	419
Repayment of lease liabilities	37(b)	<b>(408)</b>	(334)
Net Cash From/(Used In) Financing Activities		<b>11,364</b>	(2,269)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>8,607</b>	(333)
<b>CASH AND CASH EQUIVALENTS AS OF JANUARY 1</b>		<b>21,691</b>	21,729
Effect of exchange rate changes on the balance of cash held in foreign currencies		<b>(54)</b>	295
<b>CASH AND CASH EQUIVALENTS AS OF DECEMBER 31</b>	37(c)	<b>30,244</b>	21,691

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

# STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2023

	Note	The Company	
		2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Profit for the year		13,573	9,658
Adjustments for:			
Tax expense recognised in the statement of profit or loss		790	691
Finance costs		78	81
Dividend income		(11,185)	(7,440)
Interest income		(3,565)	(2,865)
Investment revenue		(305)	(159)
Fair value gain on other investments		(56)	(372)
Gain on disposal of other investments		(25)	(88)
		<u>(695)</u>	<u>(494)</u>
Movements in working capital:			
Decrease in other assets		-	17
(Decrease)/Increase in:			
Trade and other payables		(71)	69
Other liabilities		44	25
		<u>(722)</u>	<u>(383)</u>
Cash Used In Operations		(722)	(383)
Dividends received from subsidiaries		11,185	7,440
Interest received		3,584	2,699
Tax refunded		16	-
Income tax paid		(822)	(506)
Net Cash From Operating Activities		<u>13,241</u>	<u>9,250</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Proceeds from disposal of other investments		28,855	172,487
Recharge of share-based payments to subsidiaries		8,548	-
Placement of other investments		(25,250)	(109,064)
Advances to subsidiaries		(16)	(57,503)
Subscription of shares in a subsidiary		-	(3,374)
Net Cash From Investing Activities		<u>12,137</u>	<u>2,546</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Dividend paid		(13,303)	(9,449)
Purchase of own shares		(4,941)	(2,234)
Finance costs paid		(78)	(81)
Total Cash Used In Financing Activities		<u>(18,322)</u>	<u>(11,764)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>7,056</b>	<b>32</b>
<b>CASH AND CASH EQUIVALENTS AS OF JANUARY 1</b>		<b>107</b>	<b>75</b>
<b>CASH AND CASH EQUIVALENTS AS OF DECEMBER 31</b>	37(c)	<b><u>7,163</u></b>	<b><u>107</u></b>

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 and sale 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 proportion of ownership interest and voting power 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 16, 2024.

## 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, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements other than the below.

#### **Impact on application of amendments to MFRS 101 *Presentation of Financial Statements***

The Group and the Company have adopted the amendments to MFRS 101 for the first time in the current year. The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

# NOTES TO THE FINANCIAL STATEMENTS

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

### (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 MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to MFRS 101	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to MFRS 121	Lack of Exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2024, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2025, with earlier application permitted.

<sup>3</sup> Effective date deferred to a date to be announced by MASB.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### 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 amortised cost or at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 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.

### 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 acquisitions of subsidiaries are accounted for using the acquisition method. 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.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 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.

### Other income

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

Interest income is recognised on an accrual basis that reflects the effective yield on the assets.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### Employee Benefits (Cont'd)

#### *Share-based compensation benefits*

The Company operates an equity-settled, share-based compensation plan, where share 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 share grant that are expected to become exercisable. The share grant 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.

#### 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 monetary 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 statement 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.

#### *Financial statements of foreign operations denominated in functional currencies other than Ringgit Malaysia*

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 statement of profit or loss in the year in which the foreign incorporated subsidiaries are disposed of.

#### 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.



# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### Taxation (Cont'd)

#### **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.

#### **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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### Property, Plant and Equipment

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

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 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.

Freehold land, leasehold land with remaining lease period exceeding 500 years and capital work-in-progress are not amortised/depreciated.

Included in freehold land are leasehold land with remaining lease period ranging from 867 to 872 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 is 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%

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### Investment in an Associated Company

An associated company is an entity over which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associated company is incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investment in an associated company is carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the associated company, less any impairment in the value of individual investments. Losses of an associated company in excess of the Group's interests in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated statement of profit or loss.

When a group entity transacts with an associated company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associated company.

### Intangible Assets

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.

### 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### **Impairment of Property, Plant and Equipment and Intangible Assets excluding Goodwill (Cont'd)**

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.

### **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 instruments.

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 initial 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.

### **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*

Financial assets of the Group and the Company, measured subsequently at amortised cost, are refundable deposits, fixed deposits, cash and bank balances, trade receivables, other receivables and inter-company indebtedness.

Financial assets of the Group and the Company measured subsequently at FVTPL are investments in money market and fixed income funds.

#### *Equity instruments designated as at FVTOCI*

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Financial assets of the Group measured subsequently at FVTOCI are investment in unquoted shares.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### Financial Instruments (Cont'd)

#### Financial assets (Cont'd)

##### *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. 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.

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.

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 the Company have reasonable and supportable information that demonstrates otherwise.

##### (ii) Definition of default

The Group and the Company consider information developed internally or obtained from external sources that indicates 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 the Company) as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### Financial Instruments (Cont'd)

#### Financial assets (Cont'd)

##### *Impairment of financial assets (Cont'd)*

(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. 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.

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.

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.

### 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.



# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### Financial Instruments (Cont'd)

#### *Financial liabilities and equity (Cont'd)*

##### *Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial liabilities of the Group and of the Company are trade and other payables, refundable deposits received, accrued expenses, lease liabilities, borrowings and inter-company indebtedness.

##### *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 financial liabilities. These foreign exchange gains and losses are recognised in the statement of profit or loss.

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.

### 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 is the critical judgement, 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.

# NOTES TO THE 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)***

#### 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) Estimated useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

The carrying amounts of property, plant and equipment are disclosed in Note 14.

#### (b) 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 23.

#### (c) 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 certain 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 31 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

## 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Sale of goods	489,444	432,205	-	-
Income from mini golf operation*	1,231	1,095	-	-
Dividend income from subsidiaries	-	-	11,185	7,440
	<u>490,675</u>	<u>433,300</u>	<u>11,185</u>	<u>7,440</u>

\* 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 20. Unallocated items mainly comprise corporate assets and corporate 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 6. SEGMENT REPORTING (CONT'D)

	The Group 2023	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	468,585	20,859	1,231	-	-	490,675
Inter-segment sales	138,851	563	11,436	(150,850)	-	-
Total revenue	607,436	21,422	12,667	(150,850)	-	490,675
<b>Results</b>						
Segment results	69,108	(2,359)	14,412	(14,096)	-	67,065
Finance costs					(1,613)	407
Investment revenue						65
Share of results of an associated company						65,924
Profit before tax						(16,438)
Tax expense						49,486
Profit for the year						85,667
<b>Other information</b>						
Capital additions	85,457	209	1	-	-	717
Insurance proceeds from flood damage	717	-	-	-	-	529
Interest income	490	27	3,565	(3,553)	-	353
Realised gain on foreign exchange	353	-	-	-	-	257
Gain on disposal of property, plant and equipment	237	20	-	-	-	143
Inventories written back	143	-	-	-	-	139
Fair value gain on other investments	-	-	139	-	-	122
Unrealised gain on foreign exchange	123	-	(1)	-	-	32
Gain on disposal of other investments	-	-	32	-	-	19
Credit losses reversed	11	8	-	-	-	2
Reversal of impairment losses on receivables	2	-	-	-	-	(22,263)
Depreciation of property, plant and equipment	(22,119)	(111)	(33)	-	-	(907)
Equity-settled share-based payments	(2,804)	(284)	-	-	-	(829)
Impairment losses on receivables	(907)	-	-	-	-	(297)
Property, plant and equipment written off	(829)	-	-	-	-	(142)
Depreciation of right-of-use assets	(297)	-	-	-	-	(5)
Inventories written off	(142)	(103)	-	-	-	688,730
Amortisation of intangible asset	(5)	-	-	-	-	5,915
<b>Assets</b>						
Segment assets	688,730	5,915	283,494	(296,410)	-	2,317
Investment in an associated company						3,864
Unallocated segment assets						687,910
<b>Consolidated Total Assets</b>						
<b>Liabilities</b>						
Segment liabilities	271,391	12,644	737	(154,480)	-	130,292
Unallocated segment liabilities						30,587
<b>Consolidated Total Liabilities</b>						160,879

# NOTES TO THE FINANCIAL STATEMENTS

## 6. SEGMENT REPORTING (CONT'D)

The Group 2022	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>					
External sales	409,429	22,776	1,095	-	433,300
Inter-segment sales	137,055	20	7,660	(144,735)	-
Total revenue	546,484	22,796	8,755	(144,735)	433,300
<b>Results</b>					
Segment results	48,315	(2,311)	10,806	(11,013)	45,797
Finance costs					(858)
Investment revenue					261
Profit before tax					45,200
Tax expense					(8,235)
Profit for the year					36,965
<b>Other information</b>					
Capital additions	116,100	336	25	(145)	116,316
Insurance proceeds from flood damage	2,291	-	-	-	2,291
Fair value gain on other investments	-	-	491	-	491
Interest income	237	46	2,865	(2,793)	355
Gain on disposal of property, plant and equipment	104	-	-	-	104
Unrealised gain on foreign exchange	98	-	(3)	-	95
Gain on disposal of other investments	-	-	88	-	88
Government grant received - wage subsidies	8	43	7	-	58
Fair value gain on investment properties	-	-	40	-	40
Realised gain on foreign exchange	16	-	-	-	16
Inventories written back	10	-	-	-	10
Credit losses reversed	1	6	-	-	7
Reversal of impairment losses on receivables	3	-	-	-	3
Depreciation of property, plant and equipment	(19,394)	(71)	(36)	-	(19,501)
Equity-settled share-based payments	(3,507)	(378)	-	-	(3,885)
Inventories written off	(588)	(25)	-	-	(613)
Property, plant and equipment written off	(409)	-	-	-	(409)
Depreciation of right-of-use assets	(260)	-	-	-	(260)
Amortisation of intangible asset	(5)	-	-	-	(5)
Receivables written off	(3)	-	-	-	(3)
<b>Assets</b>					
Segment assets	589,070	7,927	290,722	(292,308)	595,411
Unallocated segment assets	-	-	-	-	5,543
<b>Consolidated Total Assets</b>					600,954
<b>Liabilities</b>					
Segment liabilities	216,633	11,221	1,147	(144,209)	84,792
Unallocated segment liabilities	-	-	-	-	22,682
<b>Consolidated Total Liabilities</b>					107,474

# NOTES TO THE FINANCIAL STATEMENTS

## 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:

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gain on sale of fresh fruit bunches		<b>1,830</b>	1,087	-	-
Insurance proceeds from flood damage		<b>717</b>	2,291	-	-
Interest income on financial assets classified as at amortised cost		<b>529</b>	355	<b>3,565</b>	2,865
Investment revenue	9	<b>407</b>	261	<b>305</b>	159
Income from rental of premises		<b>366</b>	297	-	-
Gain on foreign exchange:					
- Realised		<b>353</b>	16	-	-
- Unrealised		<b>122</b>	95	-	-
Gain on disposal of:					
Property, plant and equipment		<b>257</b>	104	-	-
Other investments		<b>32</b>	88	<b>25</b>	88
Fair value gain on:					
Other investments		<b>139</b>	491	<b>56</b>	372
Investment properties		-	40	-	-
Inventories written back	22	<b>143</b>	10	-	-
Credit losses reversed	23	<b>19</b>	7	-	-
Reversal of impairment losses on receivables	23	<b>2</b>	3	-	-
Government grant received - wage subsidies		-	58	-	-
Rental expenses relating to short-term/ low value assets:					
- Plant and equipment		<b>(2,584)</b>	(2,662)	-	-
- Premises		<b>(350)</b>	(429)	-	-
Impairment losses recognised on receivables	23	<b>(907)</b>	-	-	-
Property, plant and equipment written off		<b>(829)</b>	(409)	-	-
Inventories written off	22	<b>(245)</b>	(613)	-	-
Auditors' remuneration:					
By Deloitte PLT and its member firms:					
- Audit fees		<b>(233)</b>	(221)	<b>(56)</b>	(53)
- Non-assurance services		<b>(1)</b>	(1)	-	-
By Non-Deloitte member firms:					
- Audit fees		<b>(19)</b>	(20)	-	-
Depreciation of property, plant and equipment include in other gains and losses	14	<b>(21)</b>	(2)	-	-
Receivables written off		-	(3)	-	-



# NOTES TO THE FINANCIAL STATEMENTS

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

Included in employee benefit expenses are the following:

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' remuneration	10	<b>7,501</b>	9,064	<b>411</b>	304
Contributions to Employees' Provident Fund ("EPF")		<b>5,192</b>	5,006	-	-
Equity-settled share-based payments		<b>1,991</b>	2,504	-	-
Rental of hostels		<b>112</b>	138	-	-

### 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 Group and of the Company which includes Executive Directors of the Company and certain members of senior management of the Group and of the Company.

The remuneration of key management personnel of the Group during the year, other than remuneration of directors as disclosed above are as follows:

	The Group	
	2023 RM'000	2022 RM'000
Short-term employee benefits	<b>7,337</b>	5,137
Equity-settled share-based payments	<b>1,046</b>	1,300
Post-employment benefits - contributions to EPF	<b>890</b>	587
	<b>9,273</b>	7,024

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 RM92,961 (2022: RM99,085).

## 8. DEPRECIATION AND AMORTISATION

	The Group	
	2023 RM'000	2022 RM'000
Depreciation of property, plant and equipment (Note 14)	<b>22,242</b>	19,499
Depreciation of right-of-use assets (Note 15)	<b>297</b>	260
Amortisation of intangible asset (Note 21)	<b>5</b>	5
	<b>22,544</b>	19,764

# NOTES TO THE FINANCIAL STATEMENTS

## 9. INVESTMENT REVENUE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income from other investments	305	160	305	159
Rental income from investment properties	102	101	-	-
	<b>407</b>	<b>261</b>	<b>305</b>	<b>159</b>

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Investment income earned on:				
Non-derivative financial assets carried at FVTPL	305	160	305	159
Non-financial assets	102	101	-	-
	<b>407</b>	<b>261</b>	<b>305</b>	<b>159</b>

## 10. DIRECTORS' REMUNERATION

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company:				
Fees	367	346	278	259
Equity-settled share-based payments	991	1,248	-	-
Other emoluments	5,292	6,665	133	45
	<b>6,650</b>	<b>8,259</b>	<b>411</b>	<b>304</b>
Directors of the subsidiaries:				
Fees	61	59	-	-
Equity-settled share-based payments	106	133	-	-
Other emoluments	684	613	-	-
	<b>851</b>	<b>805</b>	<b>-</b>	<b>-</b>
	<b>7,501</b>	<b>9,064</b>	<b>411</b>	<b>304</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

Included in directors' other emoluments are contributions made to the Employees' Provident Fund:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors:				
The Company	587	851	-	-
The subsidiaries	23	20	-	-
	<u>610</u>	<u>871</u>	<u>-</u>	<u>-</u>

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors:				
The Company	157	134	-	-
The subsidiaries	42	39	-	-
	<u>199</u>	<u>173</u>	<u>-</u>	<u>-</u>

## 11. FINANCE COSTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest on:				
Revolving credits	1,220	417	-	-
Bankers' acceptances	41	113	-	-
Lease liabilities (Note 15)	27	29	-	-
Multi-currency trade loan	13	8	-	-
Term loans	-	(1)	-	-
Total interest expense for financial liabilities not classified as at FVTPL	1,301	566	-	-
Other finance costs	312	292	78	81
	<u>1,613</u>	<u>858</u>	<u>78</u>	<u>81</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 12. TAX EXPENSE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysian income tax:				
Current year	<b>9,144</b>	6,647	<b>824</b>	697
Prior year	<b>48</b>	(152)	<b>(34)</b>	(6)
	<b>9,192</b>	6,495	<b>790</b>	691
Deferred tax (Note 31):				
Relating to origination and reversal of temporary differences	<b>3,153</b>	1,932	-	-
Relating to crystallisation of deferred tax liability on revaluation surplus	<b>(17)</b>	(7)	-	-
Prior year	<b>4,110</b>	(185)	-	-
	<b>7,246</b>	1,740	-	-
	<b>16,438</b>	8,235	<b>790</b>	691

The Group's and the Company's income tax rate remained at 24% (2022: 24%) except for its foreign subsidiaries whose income tax rates range from 16.5% to 25% (2022: 16.5% to 25%).

The tax expense for the year can be reconciled to the accounting profit as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	<b>65,924</b>	45,200	<b>14,363</b>	10,349
Tax at the applicable statutory income tax rate of 24% (2022: 24%)	<b>15,822</b>	10,850	<b>3,447</b>	2,484
Tax effects of:				
Expenses not deductible in determining taxable profit	<b>932</b>	1,884	<b>81</b>	147
Expenses allowed for double tax deductions	<b>(266)</b>	(195)	-	-
Income not taxable in determining taxable profit	<b>(187)</b>	(240)	<b>(2,704)</b>	(1,934)
Current year unutilised tax losses and unabsorbed capital allowance not recognised as deferred tax assets	<b>708</b>	702	-	-
Unutilised Reinvestment Allowance ("RA") recognised as deferred tax assets	<b>(225)</b>	(4,337)	-	-
Utilisation of RA claimed in current year	<b>(2,617)</b>	-	-	-
Share-based payment allowed for tax deductions	<b>(1,838)</b>	-	-	-
Utilisation of deferred tax assets not recognised in prior year	<b>(49)</b>	(92)	-	-
Income tax - prior year	<b>48</b>	(152)	<b>(34)</b>	(6)
Deferred tax - prior year	<b>4,110</b>	(185)	-	-
Tax expense recognised in the statement of profit or loss	<b>16,438</b>	8,235	<b>790</b>	691

# NOTES TO THE FINANCIAL STATEMENTS

## 12. TAX EXPENSE (CONT'D)

### Current tax assets and current tax liabilities

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current tax assets</b>				
Tax refund receivables	<u>3,864</u>	<u>5,543</u>	<u>-</u>	<u>-</u>
<b>Current tax liabilities</b>				
Income tax payables	<u>831</u>	<u>172</u>	<u>135</u>	<u>151</u>

## 13. EARNINGS PER SHARE

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

	The Group	
	2023	Restated 2022
Profit for the year attributable to owners of the Company (RM'000)	<u>49,486</u>	<u>36,965</u>
Number of ordinary shares in issue as of January 1 ('000)	<u>314,989</u>	314,989
Shares repurchased and held as treasury shares as of January 1 ('000)	<u>(1,685)</u>	<u>(36)</u>
	<b>313,304</b>	314,953
Weighted average number of ordinary shares issued/ (repurchased) during the year ('000)	<u>5,054</u>	<u>(366)</u>
Weighted average number of ordinary shares in issue ('000)	<u>318,358</u>	<u>314,587</u>
Basic earnings per ordinary share (sen)	<u>15.54</u>	<u>11.75</u>
Weighted average number of shares used in the calculation of basic earnings per share ('000)	<u>318,358</u>	314,587
Shares deemed to be issued for no consideration in respect of SGP ('000)	<u>7,604</u>	<u>9,579</u>
Weighted average number of shares used in the calculation of diluted earnings per share ('000)	<u>325,962</u>	<u>324,166</u>
Diluted earnings per ordinary share (sen)	<u>15.18</u>	<u>11.40</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 14. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM'000	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
<b>Cost</b>													
As of January 1, 2022	59,502	4,809	90,358	6,719	2,594	267,261	18,459	25,169	3,831	19	552	17,623	496,896
Additions	86,624	-	649	289	-	6,608	3,439	1,818	45	-	47	16,797	116,316
Disposals	-	-	-	-	-	-	(933)	(25)	-	-	-	-	(958)
Write offs	-	-	-	-	-	(2,200)	(142)	(650)	-	(14)	-	-	(3,006)
Reclassification	-	-	-	-	-	27,428	-	-	-	-	-	(27,428)	-
Translation difference	-	-	-	-	-	-	(1)	(9)	-	-	-	-	(10)
As of December 31, 2022	146,126	4,809	91,007	7,008	2,594	299,097	20,822	26,303	3,876	5	599	6,992	609,238
Additions	2,608	-	2,361	1,119	35	14,677	6,484	2,256	86	-	77	55,964	85,667
Disposals	-	-	-	-	-	(22)	(4,771)	-	(178)	-	-	-	(4,793)
Write offs	-	-	(88)	-	-	(4,784)	-	(637)	(178)	-	-	-	(5,687)
Reclassification	-	-	11	-	-	4,548	-	1,686	-	(5)	-	(6,240)	-
Translation difference	-	-	-	-	-	-	1	6	-	-	-	-	7
<b>As of December 31, 2023</b>	<b>148,734</b>	<b>4,809</b>	<b>93,291</b>	<b>8,127</b>	<b>2,629</b>	<b>313,516</b>	<b>22,536</b>	<b>29,614</b>	<b>3,784</b>	<b>-</b>	<b>676</b>	<b>56,716</b>	<b>684,432</b>
<b>Accumulated depreciation</b>													
As of January 1, 2022	-	946	13,701	1,811	517	135,441	12,005	14,559	2,180	13	-	-	181,173
Charge for the year	-	57	1,579	248	71	14,286	1,664	1,427	169	-	-	-	19,501
Disposals	-	-	-	-	-	-	(764)	(3)	-	-	-	-	(767)
Write offs	-	-	-	-	-	(1,902)	(127)	(557)	-	(11)	-	-	(2,597)
Reclassification	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-	-	(8)	-	-	-	-	(8)
As of December 31, 2022	-	1,003	15,280	2,059	588	147,825	12,778	15,418	2,349	2	-	-	197,302
Charge for the year	-	57	1,653	278	70	16,340	2,088	1,559	218	-	-	-	22,263
Disposals	-	-	-	-	-	(14)	(3,672)	-	-	-	-	-	(3,686)
Write offs	-	-	(14)	-	-	(4,265)	-	(421)	(158)	-	-	-	(4,858)
Reclassification	-	-	-	-	-	-	-	2	-	(2)	-	-	-
Translation difference	-	-	-	-	-	-	-	5	-	-	-	-	5
<b>As of December 31, 2023</b>	<b>-</b>	<b>1,060</b>	<b>16,919</b>	<b>2,337</b>	<b>658</b>	<b>159,886</b>	<b>11,194</b>	<b>16,563</b>	<b>2,409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>211,026</b>
<b>Carrying amounts</b>													
<b>As of December 31, 2023</b>	<b>148,734</b>	<b>3,749</b>	<b>76,372</b>	<b>5,790</b>	<b>1,971</b>	<b>153,630</b>	<b>11,342</b>	<b>13,051</b>	<b>1,375</b>	<b>-</b>	<b>676</b>	<b>56,716</b>	<b>473,406</b>
As of December 31, 2022	146,126	3,806	75,727	4,949	2,006	151,272	8,044	10,885	1,527	3	599	6,992	411,936



# NOTES TO THE FINANCIAL STATEMENTS

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

During the financial year, depreciation expenses are charged to the following line items in the statement of profit or loss:

	The Group	
	2023 RM'000	2022 RM'000
Depreciation of property, plant and equipment (Note 8)	22,242	19,499
Other gains and losses (Note 7)	21	2
	<b>22,263</b>	19,501

## 15. RIGHT-OF-USE ASSETS

	The Group	
	2023 RM'000	2022 RM'000
<b>Office equipment</b>		
<b>Cost</b>		
As of January 1	1,052	1,052
Additions	1,821	-
As of December 31	<b>2,873</b>	1,052
<b>Accumulated depreciation</b>		
As of January 1	620	360
Charge for the year	297	260
As of December 31	<b>917</b>	620
<b>Carrying amount</b>		
As of December 31	<b>1,956</b>	432

The average lease term of the right-of-use assets is 2 to 5 years (2022: 3 years). The maturity analysis of lease liabilities is presented in Note 29.

	The Group	
	2023 RM'000	2022 RM'000
<b>Amounts recognised in the statement of profit or loss</b>		
Expenses relating to short-term lease/low value assets	3,046	3,229
Depreciation expense on right-of-use assets (Note 8)	297	260
Interest expense on lease liabilities (Note 11)	27	29
Total cash outflows from leases	<b>3,481</b>	3,592

# NOTES TO THE FINANCIAL STATEMENTS

## 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
<b>At fair value</b>						
As of January 1, 2022	890	2,310	590	1,486	64	5,340
Fair value adjustments	-	40	-	-	-	40
As of December 31, 2022	890	2,350	590	1,486	64	5,380
Addition	-	157	-	-	-	157
Fair value adjustments	-	-	-	-	-	-
As of December 31, 2023	<b>890</b>	<b>2,507</b>	<b>590</b>	<b>1,486</b>	<b>64</b>	<b>5,537</b>

The fair values of the Group's investment properties as of December 31, 2023 had been arrived at on the basis of a valuation carried out by independent valuers on December 31, 2023 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:

	Fair values		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>2023</b>			
Freehold land and buildings	-	890	-
Long-term leasehold land	-	2,507	-
Short-term leasehold land	-	590	-
Buildings	-	1,486	-
Renovation	-	64	-
<b>2022</b>			
Freehold land and buildings	-	890	-
Long-term leasehold land	-	2,350	-
Short-term leasehold land	-	590	-
Buildings	-	1,486	-
Renovation	-	64	-

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

# NOTES TO THE FINANCIAL STATEMENTS

## 16. INVESTMENT PROPERTIES (CONT'D)

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

	Generate rental income		Do not generate rental income	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Quit rent and assessment	12	12	13	13
Electricity and water charges	-	-	3	3

## 17. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost:		
As of January 1	116,630	109,371
Deemed investment arising from SGP	3,088	3,885
Recharge of share-based payments	(8,548)	-
Subscription of shares	-	3,374
As of December 31	<u>111,170</u>	<u>116,630</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 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		Principal activities
		2023 %	2022 %	
<b>Direct subsidiaries</b>				
Chuan Sin Sdn Bhd	Malaysia	100	100	Production and sale 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	100	Dormant
Spritzer (Hong Kong) Limited*	Hong Kong	100	100	Investment holding
<b>Indirect subsidiary held through Spritzer (Hong Kong) Limited</b>				
Spritzer (Guangzhou) Trading Limited*	People's Republic of China	100	100	Distribution of bottled water and other consumer products

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

# NOTES TO THE FINANCIAL STATEMENTS

## 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	
		2023	2022
Production and sale 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	1
		<b>9</b>	<b>9</b>

## 18. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	2,252	-
Share of post-acquisition results, net of dividends received	65	-
	<b>2,317</b>	-

The interests in the associated company of the Group is analysed as follows:

	The Group	
	2023 RM'000	2022 RM'000
Share of net assets	535	-
Goodwill on acquisition	1,782	-
	<b>2,317</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

## 18. INVESTMENT IN AN ASSOCIATED COMPANY (CONT'D)

The associated company of the Group is as follows:

Name of Company	Place of Incorporation	Proportion of ownership interest		Principal Activity	Financial Year End
		2023 %	2022 %		
The Tapping Tapir Sdn Bhd ("TTT")*	Malaysia	30	-	Manufacturing, producing and distribution of beverages.	December 31

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

On December 23, 2022 and January 3, 2023, Chuan Sin Sdn Bhd, a wholly subsidiary entered into a Subscription Agreement and a Shareholders' Agreement respectively, with TTT to subscribe for 42,861 ordinary shares, representing 30% of the entire issued capital of TTT for a total consideration of RM2,251,958. The transaction was completed on January 3, 2023 and TTT became an associated company of the Group.

Summarised financial information in respect of the associated company of the Group is set out below:

	The Group	
	2023 RM'000	2022 RM'000
Current assets	<u>1,812</u>	-
Non-current assets	<u>673</u>	-
Current liabilities	<u>702</u>	-
Revenue	<u>2,949</u>	-
Profit for the year	<u>191</u>	-

A reconciliation of the above summarised financial information to the carrying amount of the interests in TTT is recognised in the consolidated financial statements is as follows:

	The Group	
	2023 RM'000	2022 RM'000
Net assets of the associated company	<u>1,783</u>	-
Proportion of the Group's ownership interest in TTT	<u>30%</u>	-
	<u>535</u>	-
Other adjustments:		
Goodwill on acquisition	<u>1,782</u>	-
Carrying amount of the Group's interests in TTT	<u>2,317</u>	-

# NOTES TO THE FINANCIAL STATEMENTS

## 19. OTHER INVESTMENTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000

### Non-Current

#### Equity instrument designated as at FVTOCI:

Unquoted shares, in Malaysia	<u>2,577</u>	<u>3,221</u>	<u>-</u>	<u>-</u>
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### Current

#### Financial assets measured at FVTPL:

Investments in money market and fixed income funds, in Malaysia	<u>12,993</u>	<u>21,122</u>	<u>12,740</u>	<u>15,959</u>
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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 disposal of shares during the current reporting period.

Details of the other investments and information about the fair value hierarchy as of December 31, 2023 are as follows:

The Group 2023	Fair value		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Equity instrument designated as at FVTOCI:			
Unquoted shares, in Malaysia	<u>-</u>	<u>2,577</u>	<u>-</u>
Financial assets measured at FVTPL:			
Investments in money market and fixed income funds, in Malaysia	<u>12,993</u>	<u>-</u>	<u>-</u>
<b>2022</b>			
Equity instrument designated as at FVTOCI:			
Unquoted shares, in Malaysia	<u>-</u>	<u>3,221</u>	<u>-</u>
Financial assets measured at FVTPL:			
Investments in money market and fixed income funds, in Malaysia	<u>21,122</u>	<u>-</u>	<u>-</u>



# NOTES TO THE FINANCIAL STATEMENTS

## 19. OTHER INVESTMENTS (CONT'D)

The Company 2023	Fair value		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Financial assets measured at FVTPL:			
Investments in money market and fixed income funds, in Malaysia	<u>12,740</u>	<u>-</u>	<u>-</u>
<b>2022</b>			
Financial assets measured at FVTPL:			
Investments in money market and fixed income funds, in Malaysia	<u>15,959</u>	<u>-</u>	<u>-</u>

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 36.

## 20. GOODWILL ON CONSOLIDATION

	The Group	
	2023 RM'000	2022 RM'000
As of January 1 and December 31	<u>40</u>	<u>40</u>

### ***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.

## 21. OTHER INTANGIBLE ASSET

	The Group	
	2023 RM'000	2022 RM'000
<b>Software development cost</b>		
<b>Cost</b>		
As of January 1 and December 31	<u>234</u>	<u>234</u>
<b>Accumulated amortisation</b>		
As of January 1	7	2
Amortisation during the year (Note 8)	<u>5</u>	<u>5</u>
As of December 31	<u>12</u>	<u>7</u>
<b>Carrying amount</b>		
As of December 31	<u>222</u>	<u>227</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 22. INVENTORIES

	The Group	
	2023 RM'000	2022 RM'000
Finished goods and trading merchandise	13,042	13,761
Raw materials	9,844	10,185
Spare parts	9,409	8,421
Packing materials	7,374	9,512
Goods-in-transit	1,358	1,784
Work-in-progress	418	434
	<u>41,445</u>	<u>44,097</u>

	The Group	
	2023 RM'000	2022 RM'000
Recognised as an expense/(income) during the year:		
Cost of inventories	280,112	260,240
Inventories written off (Note 7)	245	613
Inventories written back (Note 7)	<u>(143)</u>	<u>(10)</u>

## 23. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables	23,642	22,203	-	-
Less: Loss allowance	<u>(918)</u>	<u>(345)</u>	-	-
	22,724	21,858	-	-
Amount due from subsidiaries				
- non-trade (Note 24)	-	-	113,164	113,167
Amount due from other related parties - trade	72,901	59,725	-	-
Other receivables	<u>367</u>	<u>608</u>	-	-
	<u>95,992</u>	<u>82,191</u>	<u>113,164</u>	<u>113,167</u>

# NOTES TO THE FINANCIAL STATEMENTS

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

Analysis of currency profile of trade and other receivables is as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	92,154	77,169	113,164	113,167
Singapore Dollar	2,507	3,232	-	-
Chinese Renminbi	1,143	1,637	-	-
United States Dollar	169	153	-	-
British Pound	19	-	-	-
	<u>95,992</u>	<u>82,191</u>	<u>113,164</u>	<u>113,167</u>

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 (2022: 7 to 120 days). No interest is charged on overdue 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.

2023	Trade receivables							Total RM'000
	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	
ECL rate	0.05%	-	-	-	-	-	68.56%	
Total gross carrying amounts	21,037	579	425	122	156	1,323	23,642	
Lifetime ECL	(11)	-	-	-	-	-	(11)	
Loss allowance	-	-	-	-	-	(907)	(907)	
							<u>22,724</u>	

# NOTES TO THE FINANCIAL STATEMENTS

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

2023		Amount due from other related parties					Total
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	RM'000
Total gross carrying amounts	72,901	-	-	-	-	-	<u>72,901</u>

2022		Trade receivables					Total
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	RM'000
ECL rate	0.13%	0.15%	0.21%	-	-	43.71%	
Total gross carrying amounts	19,459	664	954	285	118	723	22,203
Lifetime ECL	(26)	(1)	(2)	-	-	(1)	(30)
Loss allowance	-	-	-	-	-	(315)	<u>(315)</u>
							<u>21,858</u>

2022		Amount due from other related parties					Total
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	RM'000
Total gross carrying amounts	59,341	-	-	-	-	384	<u>59,725</u>

The following table shows the movement in loss allowance that has been recognised for trade receivables set out in MFRS 9.

	The Group	
	2023 RM'000	2022 RM'000
As of January 1	345	355
Impairment losses (Note 7)	907	-
Amounts written off	(313)	-
Credit losses reversed (Note 7)	(19)	(7)
Reversal of impairment losses (Note 7)	(2)	(3)
As of December 31	<u>918</u>	<u>345</u>

Transactions with related parties are disclosed in Note 24.

# NOTES TO THE FINANCIAL STATEMENTS

## 24. 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Subsidiaries</b>				
Dividends received	-	-	11,185	7,440
Recharge of share-based payments	-	-	8,548	-
Loan interest received/receivable	-	-	3,554	2,792
<b>Transactions with other related parties being companies in which certain directors/shareholders and/or persons connected with the directors/shareholders have substantial interests</b>				
ASAP International Sdn Bhd				
Rental of premise received	46	46	-	-
Cactus Marketing Sdn Bhd				
Sale of goods	11,672	8,487	-	-
Rental of premise received	108	108	-	-
Sale of property, plant and equipment	15	-	-	-
Transport charges paid	2	-	-	-
Cranberry International Sdn Bhd				
Rental of premise received	68	68	-	-
Sale of goods	9	8	-	-
Multibase Systems Sdn Bhd				
Secretarial fees paid/payable	26	26	10	10
Sabah Tea Garden Sdn Bhd				
Purchase of goods and services	120	116	-	-
Rental of cafeteria received	37	187	-	-
Sale of goods	7	7	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 24. RELATED PARTY TRANSACTIONS (CONT'D)

Transactions with related parties are as follows: (Cont'd)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Yee Lee Edible Oils Sdn Bhd				
Sale of goods	6,971	7,609	-	-
Internal audit fee paid	53	37	-	-
Transport charges paid	13	23	-	-
Yee Lee Marketing Sdn Bhd				
Sale of goods	28,280	31,345	-	-
Rental of premise received	6	24	-	-
Yee Lee Oils & Foodstuffs (Singapore) Pte Ltd				
Sale of goods	4,964	4,407	-	-
Yee Lee Organization Bhd				
Rental of premise paid	60	60	-	-
Yee Lee Trading Co Sdn Bhd				
Sale of goods	195,031	156,040	-	-
Purchase of goods	818	624	-	-
Rental of premises received	60	15	-	-
YL Brands Sdn Bhd				
Sale of goods	943	976	-	-
Purchase of goods	92	176	-	-
YLTC Sdn Bhd				
Sale of goods	25,410	24,424	-	-

The non-trade amount due from subsidiaries is unsecured, bears interest at 3.00% (2022: 3.00%) per annum, repayable on demand and will be settled in cash.

The non-trade amount due to other related parties is unsecured, interest-free, repayable on demand and were settled in cash.

The outstanding balances arising from related party transactions are disclosed in Notes 23 and 32.

# NOTES TO THE FINANCIAL STATEMENTS

## 25. OTHER ASSETS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits	14,042	2,589	1	1
Prepaid expenses	3,275	2,485	2	2
	<b>17,317</b>	5,074	<b>3</b>	3

Included in deposits of the Group are amounts totalling RM12,682,772 (2022: RM1,160,172) which represent deposits paid for purchase of property, plant and equipment.

## 26. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed deposits with licensed banks	16,270	13,640	-	-
Cash and bank balances	13,974	8,051	7,163	107
	<b>30,244</b>	21,691	<b>7,163</b>	107

The effective interest rates for fixed deposits ranged from 2.00% to 2.20% (2022: 2.00% to 2.20%) per annum with maturity periods of 4 to 14 days (2022: 4 to 14 days).

Analysis of currency profile of fixed deposits, cash and bank balances is as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	28,681	18,690	7,163	107
United States Dollar	746	568	-	-
Chinese Renminbi	728	2,362	-	-
Singapore Dollar	29	24	-	-
Hong Kong Dollar	27	39	-	-
Euro	25	-	-	-
Australian Dollar	8	8	-	-
	<b>30,244</b>	21,691	<b>7,163</b>	107



# NOTES TO THE FINANCIAL STATEMENTS

## 27. SHARE CAPITAL AND TREASURY SHARES

### (a) Share capital

The Group and The Company	2023 Number of ordinary shares '000 units	2022 Number of ordinary shares '000 units	2023 RM'000	2022 RM'000
<b>Issued and fully paid:</b>				
Ordinary shares				
As of January 1	209,993	209,993	216,571	216,571
Bonus issue	106,438	-	-	-
Employees SGP shares vested	2,883	-	6,668	-
As of December 31	<u>319,314</u>	<u>209,993</u>	<u>223,239</u>	<u>216,571</u>

On January 9, 2023, the Board of Directors of the Company approved an allotment of a total of 2,883,400 shares of the Company at an issue price of RM2.235 pursuant to the Employees' Share Grant Plan. The new issued shares rank pari passu with the then existing ordinary shares of the Company.

On May 30, 2023, at the 30<sup>th</sup> Annual General Meeting, the shareholders approved a bonus issue of up to 106,438,063 new ordinary shares in Spritzer ("Spritzer Share(s)") ("Bonus Share(s)") on the basis of 1 Bonus Share for every 2 existing Spritzer Shares issued as fully paid shares at nil consideration and without capitalisation of the Company's reserves.

### (b) Treasury shares

The Group and The Company	2023 Number of ordinary shares '000 units	2022 Number of ordinary shares '000 units	2023 RM'000	2022 RM'000
As of January 1	1,124	24	2,248	14
Purchase of own shares	2,986	1,100	4,941	2,234
Bonus issue	12	-	-	-
Employees SGP shares vested	(1,099)	-	(2,233)	-
As of December 31	<u>3,023</u>	<u>1,124</u>	<u>4,956</u>	<u>2,248</u>

As of December 31, 2023, there are 3,022,800 (2022: 1,123,500) treasury shares held by the Company. The number of ordinary shares in issue after excluding the treasury shares is 316,291,345 (2022: 208,869,227).

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. RESERVES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-distributable reserve:</b>				
Equity-settled employee benefits reserve	7,269	12,903	7,269	12,903
Investment revaluation reserve	775	1,419	-	-
Translation reserve	(386)	(251)	-	-
	<u>7,658</u>	<u>14,071</u>	<u>7,269</u>	<u>12,903</u>
<b>Distributable reserve:</b>				
Retained earnings	<u>301,090</u>	<u>265,086</u>	<u>18,208</u>	<u>18,117</u>
	<u>308,748</u>	<u>279,157</u>	<u>25,477</u>	<u>31,020</u>

**(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 35.

**(b) Investment revaluation reserve**

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to retained earnings upon disposal.

**(c) 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.

**(d) 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 29. LEASE LIABILITIES

	The Group	
	2023 RM'000	2022 RM'000
Maturity analysis:		
Year 1	591	256
Year 2	428	113
Year 3	390	-
Year 4	322	-
Year 5	215	-
	<u>1,946</u>	369
Less: Unearned interests	<u>(201)</u>	(37)
	<u>1,745</u>	332
Analysed as:		
Non-current	1,187	101
Current	558	231
	<u>1,745</u>	332

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's management.

## 30. BORROWINGS

	The Group	
	2023 RM'000	2022 RM'000
<b>Secured</b>		
Revolving credits	4,686	4,640
<b>Unsecured</b>		
Revolving credits	42,588	8,000
Bankers' acceptances	450	3,036
Multi-currency trade loan	-	419
	<u>47,724</u>	16,095
Less: Amount due within 12 months (shown under current liabilities)	<u>(17,286)</u>	(16,095)
Non-current portion	<u>30,438</u>	-

## NOTES TO THE FINANCIAL STATEMENTS

### 30. BORROWINGS (CONT'D)

The non-current portion is repayable as follows:

	The Group	
	2023 RM'000	2022 RM'000
2025	7,008	-
2026	7,008	-
2027	7,008	-
2028	6,965	-
2029	2,449	-
	<u>30,438</u>	<u>-</u>

Analysis of currency profile of borrowings is as follows:

	The Group	
	2023 RM'000	2022 RM'000
Ringgit Malaysia	43,038	11,455
Chinese Renminbi	4,686	4,640
	<u>47,724</u>	<u>16,095</u>

The average effective interest rates per annum are as follows:

	The Group	
	2023 %	2022 %
Revolving credits	3.99 - 4.98	3.43 - 4.87
Bankers' acceptances	4.04	1.79 - 3.61
Multi-currency trade loan	-	3.76

The Group obtained banking facilities to the extent of RM99,392,000 (2022: RM99,870,000) from certain licensed banks, of which RM94,592,000 (2022: RM95,070,000) are guaranteed by the Company. The revolving credit facility denominated in Chinese Renminbi is secured by a standby letter of credit issued by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. DEFERRED TAX LIABILITIES

	The Group	
	2023 RM'000	2022 RM'000
As of January 1	22,510	20,770
Recognised in statement of profit or loss (Note 12)	<u>7,246</u>	<u>1,740</u>
As of December 31	<u>29,756</u>	<u>22,510</u>

Certain deferred tax assets and deferred tax liabilities have been offset in accordance with the accounting policy of the Group. The following is the analysis of the deferred tax balance (after offsetting) presented in the statement of financial position:

	The Group	
	2023 RM'000	2022 RM'000
Deferred tax assets	(5,728)	(11,192)
Deferred tax liabilities	<u>35,484</u>	<u>33,702</u>
	<u>29,756</u>	<u>22,510</u>

Deferred tax assets/liabilities recognised in the financial statements are in respect of the tax effects on the following:

	The Group	
	2023 RM'000	2022 RM'000
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Provisions	(4,464)	(2,744)
Unutilised RA and Green Investment Tax Allowance	(1,027)	(8,056)
Unrealised profit on closing inventories	(175)	(329)
Unutilised tax losses	<u>(62)</u>	<u>(63)</u>
	(5,728)	(11,192)
Offsetting	<u>5,728</u>	<u>11,192</u>
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting)		
Temporary differences arising from:		
Property, plant and equipment	33,389	31,588
Revaluation reserves	1,890	1,907
Investment properties	205	205
Unrealised gain on foreign exchange	<u>-</u>	<u>2</u>
	35,484	33,702
Offsetting	<u>(5,728)</u>	<u>(11,192)</u>
Deferred tax liabilities (after offsetting)	<u>29,756</u>	<u>22,510</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 31. DEFERRED TAX LIABILITIES (CONT'D)

### *Unrecognised deferred tax assets*

As of December 31, 2023, the amounts of unutilised tax losses of the Group which are not recognised in the financial statements are RM26,963,000 (2022: RM24,018,000).

The following deferred tax assets at the applicable tax rate of 24% (2022: 24%) have not been recognised at the end of the reporting period:

	The Group	
	2023 RM'000	2022 RM'000
Tax effect of unutilised tax losses	<u>6,471</u>	<u>5,764</u>

The tax effect of the above estimated amount of unused tax losses are not recognised in the financial statements due to uncertainty of their realisation. The unutilised tax losses are available for offset against future taxable profit.

During the current financial year, deferred tax assets brought forward amounted to RM4,495,000 was derecognised in the statement of profit and loss as a result of the tax audit carried out by the Malaysia Inland Revenue Board ("IRBM") on a subsidiary. IRBM had disallowed partially the special RA claimed amounted to RM18,730,819 on an automated plant and machinery made by the subsidiary in the year of assessment 2020. On February 14, 2024, the said tax audit was concluded and additional tax payable of RM94,046 had been settled by the subsidiary.

The unutilised tax losses and unutilised RA will expire as follows:

	The Group	
	2023 RM'000	2022 RM'000
Year of assessment 2025	-	305
Year of assessment 2028	730	871
Year of assessment 2031	902	20,526
Year of assessment 2032	-	6,827
	<u>1,632</u>	<u>28,529</u>

The remaining unutilised tax losses of RM26,479,000 (2022: RM23,317,000) arising from a foreign subsidiary have no expiry period.

## 32. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	19,231	19,581	-	-
Amount due to other related parties:				
- trade	40	2	-	-
- non-trade	2	-	2	-
Other payables	<u>22,177</u>	<u>17,167</u>	<u>3</u>	<u>76</u>
	<u>41,450</u>	<u>36,750</u>	<u>5</u>	<u>76</u>

# NOTES TO THE FINANCIAL STATEMENTS

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

Analysis of currency profile of trade and other payables is as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	<b>36,809</b>	34,148	<b>5</b>	76
United States Dollar	<b>3,642</b>	1,970	-	-
Euro	<b>575</b>	29	-	-
Chinese Renminbi	<b>312</b>	593	-	-
Singapore Dollar	<b>76</b>	4	-	-
Japanese Yen	<b>29</b>	-	-	-
British Pound	<b>7</b>	6	-	-
	<b>41,450</b>	36,750	<b>5</b>	76

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 (2022: 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 RM3,936,798 (2022: RM3,306,459) being Sales Tax payable.

Transactions with related parties are disclosed in Note 24.

## 33. OTHER LIABILITIES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Accrued expenses	<b>39,030</b>	30,922	<b>340</b>	296
Deposits received	<b>343</b>	693	-	-
	<b>39,373</b>	31,615	<b>340</b>	296

Included in accrued expenses of the Group is an amount of RM8,906,014 and RM125,869 (2022: RM4,099,497 and RM111,025), being refund liabilities arising from rebates and volume discounts, and right to return given to eligible customers respectively.

## 34. DIVIDEND

	The Group and The Company	
	2023 RM'000	2022 RM'000
First and final dividend paid:		

6.25 sen, single-tier, for financial year ended December 31, 2022

(2022: 4.50 sen, single-tier, for financial year ended December 31, 2021)

**13,303**

9,449

The directors proposed a first and final dividend of 5.50 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.



# NOTES TO THE FINANCIAL STATEMENTS

## 35. 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.

The salient features of the SGP are as follows:

### 1. Maximum number of SGP Shares available under the SGP

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. Maximum allowable allocation and basis of allocation

The aggregate maximum number of SGP Shares that may be offered to an Eligible Employee 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 35. EMPLOYEES' SHARE GRANT PLAN ("SGP") (CONT'D)

### 2. Maximum allowable allocation and basis of allocation (Cont'd)

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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 35. 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, 2023 is 7,604,400 (2022: 9,290,000).

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

	As of 1.1.2023 '000 units	Vested '000 units	Bonus issue '000 units	Lapsed '000 units	As of 31.12.2023 '000 units
Executive Directors	3,251	(1,434)	908	-	<b>2,725</b>
Key management personnel	3,087	(1,270)	830	(157)	<b>2,490</b>
Others	2,952	(1,278)	796	(81)	<b>2,389</b>
Total	9,290	(3,982)	2,534	(238)	<b>7,604</b>

#### **Fair value of SGP Shares**

The fair values of the SGP Shares are RM2.19 and RM 2.20 per unit, representing the closing price of Spritzer shares quoted on Bursa Malaysia Securities Berhad on grant dates.

# NOTES TO THE FINANCIAL STATEMENTS

## 36. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

### Categories of Financial Instruments

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Financial assets</b>				
At FVTOCI:				
Investment in unquoted shares	2,577	3,221	-	-
At FVTPL:				
Investments in money market and fixed income funds	12,993	21,122	12,740	15,959
At amortised cost:				
Trade and other receivables	95,992	82,191	-	-
Amount due from subsidiaries	-	-	113,164	113,167
Refundable deposits	530	548	1	1
Fixed deposits, cash and bank balances	<u>30,244</u>	<u>21,691</u>	<u>7,163</u>	<u>107</u>
<b>Financial liabilities</b>				
At amortised cost:				
Trade and other payables	37,513	33,443	5	76
Lease liabilities	1,745	332	-	-
Borrowings	47,724	16,095	-	-
Accrued expenses	39,030	30,922	340	296
Refundable deposits received	<u>174</u>	<u>295</u>	<u>-</u>	<u>-</u>

### 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.

#### (a) Market risk

##### (i) Foreign currency risk

The Group's transactions in foreign currencies are in United States Dollar ("USD"), Australian Dollar ("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 23, 26, 30 and 32 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, 2023. Therefore, sensitivity analysis for foreign currency exchange risk is not disclosed.

# NOTES TO THE FINANCIAL STATEMENTS

## 36. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

#### (a) Market risk (Cont'd)

##### (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 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 a 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 30.

##### 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, 2023. 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, 2023. Therefore, price risk sensitivity analysis is not disclosed.

#### (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 59% (2022: 55%) of its receivable is with a related party.

# NOTES TO THE FINANCIAL STATEMENTS

## 36. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

#### (b) Credit risk (Cont'd)

##### *Receivables (Cont'd)*

The Group holds bank guarantees and a personal guarantee to the extent of RM8,439,350 (2022: RM6,787,000) and RM906,535 (2022: RM986,476) respectively as securities against any outstanding charges or liabilities incurred by customers. The Group also holds security deposit of RM10,000 (2022: RM110,000) for the same purpose. 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, personal guarantee and security deposit 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 23.

##### *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.

##### *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 RM47,724,000 (2022: RM16,095,000) 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 RM50,477,000 (2022: RM45,147,000) 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 36. 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 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.

The Group	On demand or within one year RM'000	One year to five years RM'000	Over five years RM'000	Total RM'000
<b>2023</b>				
Non-derivative financial liabilities:				
Trade and other payables	37,513	-	-	37,513
Refundable deposits received	174	-	-	174
Accrued expenses	39,030	-	-	39,030
Lease liabilities	591	1,355	-	1,946
Borrowings	18,955	34,209	-	53,164
Total undiscounted non-derivative financial liabilities	<b>96,263</b>	<b>35,564</b>	-	<b>131,827</b>
<b>2022</b>				
Non-derivative financial liabilities:				
Trade and other payables	33,443	-	-	33,443
Refundable deposits received	295	-	-	295
Accrued expenses	30,922	-	-	30,922
Lease liabilities	256	113	-	369
Borrowings	16,477	-	-	16,477
Total undiscounted non-derivative financial liabilities	<b>81,393</b>	<b>113</b>	-	<b>81,506</b>
<b>The Company</b>				
<b>2023</b>				
Non-derivative financial liabilities:				
Trade and other payables	5	-	-	5
Accrued expenses	340	-	-	340
Financial guarantee contracts	18,955	34,209	-	53,164
Total undiscounted non-derivative financial liabilities	<b>19,300</b>	<b>34,209</b>	-	<b>53,509</b>
<b>2022</b>				
Non-derivative financial liabilities:				
Trade and other payables	76	-	-	76
Accrued expenses	296	-	-	296
Financial guarantee contracts	16,477	-	-	16,477
Total undiscounted non-derivative financial liabilities	<b>16,849</b>	-	-	<b>16,849</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 36. 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

#### *Financial instruments that are carried at fair value*

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 these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Shared-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

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.

#### *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.

#### *Fair values of financial assets and financial liabilities at fair value on a recurring basis*

##### (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 *Financial Instruments: Disclosure* and has been determined by reference to the latest subscription price paid for the shares in the unquoted investee.

##### (b) *Investments in money market and fixed income funds*

The fair values of investments in money market and fixed income funds are included in Level 1 category of the fair value hierarchy in accordance with MFRS 7 and have been determined by reference to the Net Asset Value per unit 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 37. STATEMENTS OF CASH FLOWS

- (a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group	
	2023 RM'000	2022 RM'000
Cash purchase	78,042	102,775
Advance payments made in prior year included in deposits	220	9,824
Included in:		
Other payables	4,804	2,261
Other liabilities	2,601	1,456
	<u>85,667</u>	<u>116,316</u>

- (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 1.1.2023 RM'000	Financing cash flows RM'000	Non-cash changes RM'000	As of 31.12.2023 RM'000
Lease liabilities	29	332	(408)	1,821	1,745
Revolving credits	30	12,640	34,634	-	47,274
Bankers' acceptances	30	3,036	(2,586)	-	450
Multi-currency trade loan	30	419	(419)	-	-

The Group	Note	As of 1.1.2022 RM'000	Financing cash flows RM'000	Non-cash changes RM'000	As of 31.12.2022 RM'000
Lease liabilities	29	666	(334)	-	332
Revolving credits	30	5,489	7,151	-	12,640
Bankers' acceptances	30	-	3,036	-	3,036
Multi-currency trade loan	30	-	419	-	419

# NOTES TO THE FINANCIAL STATEMENTS

## 37. STATEMENTS OF CASH FLOWS (CONT'D)

(c) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed deposits with licensed banks	26	<b>16,270</b>	13,640	-	-
Cash and bank balances	26	<b>13,974</b>	8,051	<b>7,163</b>	107
		<b>30,244</b>	21,691	<b>7,163</b>	107

## 38. CAPITAL COMMITMENTS

As of December 31, 2023, the Group has the following commitments in respect of property, plant and equipment:

	The Group	
	2023 RM'000	2022 RM'000
Approved and contracted for:		
- land and buildings	<b>14,396</b>	12,820
- plant, machinery and equipment	<b>29,307</b>	5,124
- motor vehicles	<b>1,335</b>	501
	<b>45,038</b>	18,445
Approved but not contracted for:		
- land and buildings	<b>12,228</b>	4,529
- plant, machinery and equipment	<b>8,818</b>	36,594
- motor vehicles	-	382
	<b>21,046</b>	41,505
	<b>66,084</b>	59,950

## 39. SUBSEQUENT EVENT

### Vesting of SGP shares and increase in share capital of the Company

Subsequent to the financial year, 3,010,800 units of the SGP shares were vested on January 2, 2024 and the Company transferred 3,010,800 treasury shares to Eligible Employees and Executive Directors of the Group on January 10, 2024. The transfer price of the treasury shares is RM2.025.

After the transfer of treasury shares, the number of ordinary shares in issue excluding the treasury shares is 319,302,145 and the number of treasury shares held as of January 10, 2024 is 12,000.

# 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, 2023 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,

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**Y BHG DATO' LIM KOK BOON, DPMP**  
Managing Director

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**MR LIM SENG LEE**  
Executive Director

Ipoh,  
April 16, 2024

## 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 16<sup>th</sup> day of April 2024

Before me,

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**MR WONG KIAN SHYAN**  
NO.: A 292  
COMMISSIONER FOR OATHS

# ANALYSIS OF SHAREHOLDINGS

As of April 2, 2024

## SHARE CAPITAL

Number of Issued Share	:	319,302,145 ordinary shares (excluding 12,000 Treasury Shares)
Issued Share Capital	:	RM223,238,536
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders		Number of Issued Shares	
	Number	Percentage	Number	Percentage
Less than 100 shares	184	7.37	8,591	**
100 to 1,000 shares	379	15.18	202,112	0.06
1,001 to 10,000 shares	1,401	56.13	5,789,397	1.81
10,001 to 100,000 shares	407	16.31	12,900,658	4.04
100,001 to less than 5% of issued shares	121	4.85	104,907,300	32.86
5% and above of issued shares	4	0.16	195,494,087	61.23
<b>Total</b>	<b>2,496</b>	<b>100.00</b>	<b>319,302,145</b>	<b>100.00</b>

\*\* Negligible

## SUBSTANTIAL SHAREHOLDERS (as per the Company's Register of Substantial Shareholders)

Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	Percentage	Number of Shares	Percentage
1. Yee Lee Corporation Bhd ("YLC")	101,628,143	31.83	-	-
2. Tasik Puncak Holdings Ltd ("TPH") (as general partner for Tasik Puncak Holdings, LP)	41,080,837	12.87	-	-
3. Yee Lee Holdings Sdn Bhd ("YLH")	34,217,497	10.72	-	-
4. Lim A Heng @ Lim Kok Cheong ("LKC")	18,480,460	5.79	145,310,885 <sup>a</sup>	45.51
5. Lim Kok Boon ("LKB")	12,816,250	4.01	9,615,448 <sup>b</sup>	3.01
6. Chua Shok Tim @ Chua Siok Hoon ("CSH")	3,594,250	1.13	160,197,095 <sup>c</sup>	50.17
7. Lai Yin Leng ("LYL")	349,999	0.11	22,081,699 <sup>d</sup>	6.92
8. Langit Makmur Sdn Bhd ("LM")	-	-	101,628,143 <sup>e</sup>	31.83
9. Yee Lee Organization Bhd ("YLO")	-	-	135,845,640 <sup>f</sup>	42.55
10. Unikampar Credit And Leasing Sdn Bhd ("UCL")	-	-	135,845,640 <sup>g</sup>	42.55
11. Uniyeelee Sdn Bhd ("UYL")	-	-	135,845,640 <sup>g</sup>	42.55
12. Yeleta Holdings Sdn Bhd ("YH")	-	-	135,845,640 <sup>h</sup>	42.55
13. Young Wei Holdings Sdn Bhd ("YW")	-	-	135,845,640 <sup>i</sup>	42.55

# ANALYSIS OF SHAREHOLDINGS

As of April 2, 2024

## SUBSTANTIAL SHAREHOLDERS (as per the Company's Register of Substantial Shareholders) (Cont'd)

Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	Percentage	Number of Shares	Percentage
14. Diamond GP Holdings Ltd ("DGP")	-	-	41,080,837 <sup>j</sup>	12.87
15. Dymon Asia Private Equity (S.E. Asia) Ltd ("Dymon SEA")	-	-	41,080,837 <sup>k</sup>	12.87
16. DAPE Ltd ("DAPE")	-	-	41,080,837 <sup>l</sup>	12.87
17. Tan Keng Soon	-	-	41,080,837 <sup>m</sup>	12.87
18. Dymon Asia Capital Ltd ("DAC")	-	-	41,080,837 <sup>m</sup>	12.87
19. Yong Ming Chong	-	-	41,080,837 <sup>n</sup>	12.87

### Notes:

- <sup>a</sup> 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 sons, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 59(11)(c) of the Act.
- <sup>b</sup> 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 sons, Lim Seng Lee and Lim Hock Lai in the Company pursuant to Section 59(11)(c) of the Act.
- <sup>c</sup> 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 sons, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 59(11)(c) of the Act.
- <sup>d</sup> 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 sons, Lim Seng Lee and Lim Hock Lai in the Company pursuant to Section 59(11)(c) of the Act.
- <sup>e</sup> Deemed interest held through YLC pursuant to Section 8 of the Act.
- <sup>f</sup> Deemed interest held through LM and YLH pursuant to Section 8 of the Act.
- <sup>g</sup> Deemed interest held through YLO pursuant to Section 8 of the Act.
- <sup>h</sup> Deemed interest held through UCL pursuant to Section 8 of the Act.
- <sup>i</sup> Deemed interest held through YH pursuant to Section 8 of the Act.
- <sup>j</sup> Deemed interest held through TPH pursuant to Section 8 of the Act.
- <sup>k</sup> Deemed interest held through DGP pursuant to Section 8 of the Act.
- <sup>l</sup> Deemed interest held through Dymon SEA pursuant to Section 8 of the Act.
- <sup>m</sup> Deemed interest held through DAPE pursuant to Section 8 of the Act.
- <sup>n</sup> Deemed interest held through DAC pursuant to Section 8 of the Act.

# ANALYSIS OF SHAREHOLDINGS

As of April 2, 2024

## DIRECTORS' SHAREHOLDINGS (as per the Company's Register of Directors' Shareholdings)

Directors	Direct Interest		Deemed Interest	
	Number of Shares	Percentage	Number of Shares	Percentage
Lim A Heng @ Lim Kok Cheong	18,480,460	5.79	145,310,885 <sup>a</sup>	45.51
Lim Kok Boon	12,816,250	4.01	9,615,448 <sup>b</sup>	3.01
Lim Seng Lee	3,109,149	0.97	5,737,650 <sup>c</sup>	1.80
Lam Sang	2,788,523	0.87	-	-
Chok Hooa @ Chok Yin Fatt	310,750	0.10	-	-
Tan Chow Yin	-	-	-	-
Loh Chooi Ngan	-	-	-	-
Nik Marni binti Nik Mohamad Pena	-	-	-	-
Hanani Hayati binti Mohd Adhan	-	-	-	-

### Notes:

- <sup>a</sup> 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 sons, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 59(11)(c) of the Act.
- <sup>b</sup> 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 sons, Lim Seng Lee and Lim Hock Lai in the Company pursuant to Section 59(11)(c) of the Act.
- <sup>c</sup> 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 2, 2024

## TOP THIRTY SECURITIES ACCOUNT HOLDERS

Shareholders	Number of Shares	Percentage
1. Yee Lee Corporation Bhd	75,507,999	23.65
2. CGS International Nominees Malaysia (Asing) Sdn Bhd Exempt An for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	41,167,987	12.90
3. Yee Lee Holdings Sdn Bhd	34,217,497	10.71
4. Yee Lee Corporation Bhd	26,120,144	8.18
5. Lim A Heng @ Lim Kok Cheong	18,480,460	5.79
6. Lim Kok Boon	12,816,250	4.01
7. Amanahraya Trustees Berhad Public Strategic Smallcap Fund	8,291,150	2.59
8. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Unique Bay Sdn. Bhd. (PB)	7,220,250	2.26
9. Chuan Sin Resources Sdn. Bhd.	5,110,500	1.60
10. Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	4,072,200	1.28
11. Amanahraya Trustees Berhad PMB Shariah Growth Fund	3,670,000	1.15
12. Chua Shok Tim @ Chua Siok Hoon	3,594,250	1.13
13. Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 22)	3,000,000	0.94
14. Mohd Adhan bin Kechik	2,952,047	0.92
15. Lam Sang	2,788,523	0.87
16. Nik Mohamad Pena bin Nik Mustapha	2,752,500	0.86
17. Amanahraya Trustees Berhad PB Smallcap Growth Fund	2,522,000	0.79
18. Amanahraya Trustees Berhad Public Islamic Emerging Opportunities Fund	2,325,950	0.73
19. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Singular Value Fund	2,241,800	0.70
20. CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Lim Seng Lee (MY4422)	2,194,899	0.69
21. Amanahraya Trustees Berhad Public Select Treasures Equity Fund	1,967,700	0.62
22. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yoong Kah Yin	1,520,000	0.48
23. Jailani bin Abdullah	1,496,062	0.47
24. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	1,261,100	0.39
25. IFAST Nominees (Tempatan) Sdn Bhd Global Success Network Sdn Bhd	1,050,000	0.33
26. Affin Hwang Nominees (Tempatan) Sdn Bhd Exempt An for Lim & Tan Securities Pte Ltd (Clients A/C)	1,000,000	0.31

# ANALYSIS OF SHAREHOLDINGS

As of April 2, 2024

## TOP THIRTY SECURITIES ACCOUNT HOLDERS (Cont'd)

Shareholders	Number of Shares	Percentage
27. Ng Tiow Min	982,000	0.31
28. Lai Ka Chee	915,000	0.29
29. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-R ES)	873,000	0.27
30. Khoo Su Chin	832,100	0.26
<b>Total</b>	<b>272,943,368</b>	<b>85.48</b>

# LIST OF PROPERTIES

As of December 31, 2023

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 17 years	31,386 / 13,380	31,430	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.	<u>Lot 135</u> Leasehold expiring on 31.08.2890 <u>PT 7579, 7580 &amp; 7581</u> Leasehold expiring on 23.09.2890 <u>Remaining Lots</u> Freehold	Factory / Office / Staff quarters / Agricultural / Development land	Factory / Office 16 to 29 years Warehouse 4 to 25 years Staff quarters 17 to 19 years	212,182 / 48,468	51,148	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.	<u>Lot 454</u> Leasehold expiring on 28.11.2894 <u>Remaining Lots</u> Freehold	Staff quarters / Minigolf course and building / Agricultural / Development land	Staff quarters 16 years Building 8 years	201,673 / 1,689	9,065	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 & 2374, respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Leasehold expiring on 13.11.2084	8 units single storey terrace house	29 years	1,537 / 669	463	31.05.2010
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, H.S. (M) 4170 No. P.T.D. 6406, H.S. (M) 17929 No. P.T.D. 6466, H.S. (M) 17930 No. P.T.D. 6467, H.S. (M) 4159 No. P.T.D. 6468, Mukim Tanjong Sembrong, Bukit Jintan, Johor Darul Takzim.	Freehold	Factory / Office / Staff quarters / Agricultural land	6 to 28 years	169,046 / 11,265	13,718	31.05.2010, *17.12.2012, *02.06.2014, *19.12.2017, *16.01.2020, *06.05.2020, *31.01.2021, *31.05.2021, *01.11.2022 and *12.07.2023

# LIST OF PROPERTIES

As of December 31, 2023

Location	Tenure	Current Use	Approximate Age of Building	Land/Gross Floor Area (sq. metres)	Carrying Amount RM'000	Date of Acquisition* / Valuation
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 30 years  Warehouses 11 to 27 years	33,969 / 15,517	11,182	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.	<u>Lot 125, 130 &amp; 131</u> Leasehold expiring on 31.08.2890  <u>Lot 126</u> Leasehold expiring on 23.09.2890  <u>Lot 455</u> Leasehold expiring on 19.11.2893	Agricultural / Development land	N/A	764,890	10,673	31.05.2010
	<u>Remaining Lots</u> Freehold					
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	40 to 57 years	4,076 / 2,547	2,550	31.12.2023
Lot No. 10647, Title No. Pajakan Negeri 78371, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold expiring on 05.03.2083	Vacant industrial land	N/A	16,190	1,157	31.12.2023
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	29 to 48 years	1,028 / 782	940	31.12.2023
Lot No. 11319 HSM 1854, Lot No. 11320 HSM 1855, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Freehold	Commercial building	15 years	339	890	31.12.2023
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

# LIST OF PROPERTIES

As of December 31, 2023

Location	Tenure	Current Use	Approximate Age of Building	Land/Gross Floor Area (sq. metres)	Carrying Amount RM'000	Date of Acquisition* / Valuation
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	26 years	138	297	*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	7 years	349	3,965	*01.10.2018
Lot No.192 & 1594, Lot 758 & Lot 1339, Lot 403, 406, 407 & 1473, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Freehold	Agricultural land	N/A	313,631	9,313	*30.11.2021, *30.04.2022, *31.10.2022
Lot 5419, 4294, 4298, 6213, 5763, 2356, 5414 Mukim Sungai Tinggi; Lot 1377, 194, 195, 207, 399, 495, 496, 497, 498, 511, 1090, Mukim Trong; Lot 842, 1019, 1020, 1021, 1022, 1024, 1025, 1027, 1033, 1950, 2014, 3348, 3486, 3959, 5076, 5077, 5078, 5079, 5080, 5081, 5082, 5083, 5084, 5085, 5098, 5099, 5100, 5101, 5102, Mukim Bukit Gantang; District of Larut & Matang, Perak Darul Ridzuan.	<u>Lot 5419, 4294, 4298, 6213, 5763 &amp; 1377</u> Leasehold expiring on 01.07.2895 <u>Remaining Lots</u> Freehold	Agricultural land	N/A	4,967,916	79,249	*30.06.2022
Lot 1469 Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Freehold	Agricultural land	N/A	25,016	1,607	30.06.2023

# NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Thirty-First (31<sup>st</sup>) Annual General Meeting (“AGM”) of Spritzer Bhd (“Spritzer” or “Company”) will be held at Lot 898, Jalan Reservoir, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan on Thursday, May 30, 2024 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, 2023 and the Reports of the Directors and Auditors thereon.                            | <b>Please refer to<br/>Explanatory Note 1</b> |
| 2. | To declare a first and final dividend of 5.5 sen per share, under the single tier system, in respect of the financial year ended December 31, 2023.                          | <b>Resolution 1</b>                           |
| 3. | To re-elect the following Directors who retire by rotation in accordance with Clause 85 of the Company’s Constitution and, being eligible, offer themselves for re-election: |   |
|    | (i) Chok Hooa @ Chok Yin Fatt  | <b>Resolution 2</b>                           |
|    | (ii) Lim Seng Lee  | <b>Resolution 3</b>                           |
|    | (iii) Tan Chow Yin   | <b>Resolution 4</b>                           |
| 4. | To approve the payment of Directors’ fees amounting to RM427,500 in respect of the financial year ended December 31, 2023.   | <b>Resolution 5</b>                           |
| 5. | To approve the payment of other benefits (excluding Directors’ fees) up to RM800,000 to the Non-Executive Directors from May 31, 2024 until the next AGM of the Company.     | <b>Resolution 6</b>                           |
| 6. | To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.  | <b>Resolution 7</b>                           |

## SPECIAL BUSINESS

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

- |    |  |                     |
|----|--|---------------------|
| 7. | Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights  |                     |
|    | “THAT pursuant to 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, pursuant to the Act, to issue and allot shares in the Company, from time to time at such price, 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 pursuant to Section 85 of the Act read together with Clause 52 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of Spritzer to be offered new shares of the Company ranking equally to the existing issued shares arising from issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act; AND THAT the Directors be and are also empowered to obtain the approval for listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”); AND FURTHER THAT such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.” | <b>Resolution 8</b> |

## NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

8. 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 30, 2024 subject to the followings:

**Resolution 9**

- (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."



# NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

## 9. 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 Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

### Resolution 10

- (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.

THAT the Directors be and are hereby authorised, at their absolute discretion, to deal with the treasury shares which may be distributed as dividends, resold, transferred, cancelled and/or in any other manners as may be permitted or prescribed by the Act, the Listing Requirements and any applicable laws, rules, regulations, guidelines, requirements and/or orders of any other relevant authorities for the time being in force.

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 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.

THAT the Directors of the Company be and are hereby empowered to do all such acts and enter into all such transactions, arrangements and agreements, and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions as may be necessary or expedient in order to give full effect to the proposed share buy-back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as the Directors may, in their absolute discretion, deem fit and in the interest of the Company and/or as may be imposed or agreed to by any relevant authorities."

## 10. 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 31<sup>ST</sup> ANNUAL GENERAL MEETING

## **NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

**NOTICE IS ALSO HEREBY GIVEN THAT** a first and final dividend of 5.5 sen per share, under the single tier system, in respect of the financial year ended December 31, 2023, subject to the approval of the shareholders at the 31<sup>st</sup> AGM will be paid on June 21, 2024 to Depositors whose names appear in the Record of Depositors on June 7, 2024.

A Depositor shall qualify for entitlement to the dividends only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on June 7, 2024 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

**CHOW SHAN LEE**  
**SSM PC NO. 202308000610**  
**(MIA 17136)**

**TAN BOON TING**  
**SSM PC NO. 202008002544**  
**(MAICSA 7056136)**  
Company Secretaries

Ipoh, Perak Darul Ridzuan  
April 30, 2024

# NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

Notes:

## 1. Appointment of Proxy

- (i) In respect of deposited securities, only Members whose name appears on the Record of Depositors as at May 24, 2024 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 officers, 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 manners and must be received by the Company's Share Registrar 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 31<sup>st</sup> 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 31<sup>st</sup> 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 Note 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.

# NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

## 3. Explanatory Notes on Special Business

### Ordinary Resolutions

#### **Resolution 8 – Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights**

The proposed Resolution 8, 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.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new ordinary shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company.

#### **Resolution 9 – Proposed Shareholders' Mandate**

The proposed Resolution 9, 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 10 – Proposed Renewal of Authority to Purchase its Own Shares**

The proposed Resolution 10, 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.

Please refer to the Circular/ Statement to Shareholders dated April 30, 2024 for further information on Resolutions 9 and 10.

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**SPRITZER BHD**  
 Registration No 199301010611 (265348-V)  
 (Incorporated in Malaysia)

## Form of Proxy

<b>CDS Account No</b>

<b>No of shares held</b>

I/We, \_\_\_\_\_ Tel: \_\_\_\_\_  
 (Full name, NRIC No or Registration No)

OF \_\_\_\_\_  
 (Address)

being a member 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 Thirty-First Annual General Meeting of the Company to be held on Thursday, May 30, 2024 at 10.30 a.m. at Lot 898, Jalan Reservoir, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan, Malaysia and at any adjournment thereof, and to vote as indicated below:

RESOLUTION	DESCRIPTIONS	FOR	AGAINST
<b>ORDINARY BUSINESS</b>			
1	To declare a first and final dividend		
2	To re-elect Chok Hooa @ Chok Yin Fatt as Director		
3	To re-elect Lim Seng Lee as Director		
4	To re-elect Tan Chow Yin as Director		
5	To approve the payment of Directors' fees		
6	To approve the payment of other benefits (excluding Directors' fees) to the Non-Executive Directors from May 31, 2024 until the next AGM of the Company.		
7	To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
<b>SPECIAL BUSINESS</b>			
8	To authorise the Directors to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights		
9	To approve the Proposed Shareholders' Mandate		
10	To approve the Proposed Renewal of Authority to Purchase its Own Shares by Spritzer Bhd		

\* 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 \_\_\_\_\_ 2024.

\_\_\_\_\_  
 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 at May 24, 2024 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 31<sup>st</sup> 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 31<sup>st</sup> 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.

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**STAMP**

**Share Registrar for Spritzer Bhd - 31<sup>st</sup> AGM**  
**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

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**SPRITZER BHD**

必胜有限公司

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