



**SPRITZER BHD**  
**Reg. No.: 199301010611 (265348-V)**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Quarter ended			Year-to-date ended		
	31.3.2021 RM'000	31.3.2020 RM'000	Change	31.3.2021 RM'000	31.3.2020 RM'000	Change
Revenue	76,052	92,802	-18%	76,052	92,802	-18%
Other gains and losses	547	118	364%	547	118	364%
Cost of sales and other operating expenses	(68,583)	(79,629)	-14%	(68,583)	(79,629)	-14%
Finance costs	(109)	(123)	-11%	(109)	(123)	-11%
Profit before tax	<u>7,907</u>	<u>13,168</u>	-40%	<u>7,907</u>	<u>13,168</u>	-40%
Tax expense	(1,847)	(4,383)	-58%	(1,847)	(4,383)	-58%
Profit for the period	<u><u>6,060</u></u>	<u><u>8,785</u></u>	-31%	<u><u>6,060</u></u>	<u><u>8,785</u></u>	-31%
<b>Profit attributable to owners of the Company</b>	<u><u>6,060</u></u>	<u><u>8,785</u></u>	-31%	<u><u>6,060</u></u>	<u><u>8,785</u></u>	-31%
<b>Earnings per share</b>						
(a) Basic (sen)	<u><u>2.89</u></u>	<u><u>4.18</u></u>	-31%	<u><u>2.89</u></u>	<u><u>4.18</u></u>	-31%
(b) Diluted (sen)	<u><u>2.83</u></u>	<u><u>4.10</u></u>	-31%	<u><u>2.83</u></u>	<u><u>4.10</u></u>	-31%

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying notes to the Interim Financial Report.



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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	<u>Quarter ended</u>		<u>Year-to-date ended</u>	
	<u>31.3.2021</u>	<u>31.3.2020</u>	<u>31.3.2021</u>	<u>31.3.2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the period	6,060	8,785	6,060	8,785
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign entities	(96)	(94)	(96)	(94)
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u>5,964</u>	<u>8,691</u>	<u>5,964</u>	<u>8,691</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying notes to the Interim Financial Report.



**SPRITZER BHD**  
Reg. No.: 199301010611 (265348-V)  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	AS AT 31.3.2021 RM'000	AUDITED AS AT 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	316,469	319,337
Right-of-use assets	533	542
Investment properties	5,340	5,340
Goodwill on consolidation	40	40
Other intangible asset	63	66
<b>Total non-current assets</b>	<u>322,445</u>	<u>325,325</u>
<b>Current assets</b>		
Other investments	75,577	81,936
Inventories	28,539	29,486
Trade and other receivables	52,021	48,955
Current tax assets	5,763	4,070
Other assets	14,333	3,562
Fixed deposits, cash and bank balances	25,502	23,215
<b>Total current assets</b>	<u>201,735</u>	<u>191,224</u>
<b>Total assets</b>	<u>524,180</u>	<u>516,549</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	216,571	216,571
Treasury shares	(14)	(14)
Equity-settled employee benefits reserve	5,580	4,815
Translation reserve	(245)	(149)
Retained earnings	228,840	222,780
<b>Total equity</b>	<u>450,732</u>	<u>444,003</u>
<b>Non-current liabilities</b>		
Lease liabilities	286	309
Borrowings	-	24
Deferred tax liabilities	18,404	17,397
<b>Total non-current liabilities</b>	<u>18,690</u>	<u>17,730</u>
<b>Current liabilities</b>		
Trade and other payables	28,370	27,755
Lease liabilities	222	225
Borrowings	4,689	4,368
Current tax liabilities	932	554
Other liabilities	20,545	21,914
<b>Total current liabilities</b>	<u>54,758</u>	<u>54,816</u>
<b>Total liabilities</b>	<u>73,448</u>	<u>72,546</u>
<b>Total equity and liabilities</b>	<u>524,180</u>	<u>516,549</u>
Net assets per share attributable to owners of the Company (RM)	<u>2.1467</u>	<u>2.1146</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying notes to the Interim Financial Report.



**SPRITZER BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Share Capital RM'000	Treasury Shares RM'000	Non-distributable Reserves		Distributable	Total Equity RM'000
			Equity-settled Employee Benefits Reserve RM'000	Translation Reserve RM'000	Reserve Retained Earnings RM'000	
<b>Balance as of 1 January 2021</b>	216,571	(14)	4,815	(149)	222,780	444,003
Profit for the period	-	-	-	-	6,060	6,060
Other comprehensive income for the period	-	-	-	(96)	-	(96)
Total comprehensive income for the period	-	-	-	(96)	6,060	5,964
Recognition of share-based payments	-	-	765	-	-	765
<b>Balance as of 31 March 2021</b>	<b>216,571</b>	<b>(14)</b>	<b>5,580</b>	<b>(245)</b>	<b>228,840</b>	<b>450,732</b>
<b>Balance as of 1 January 2020</b>	216,571	(14)	2,158	(4)	196,569	415,280
Profit for the period	-	-	-	-	8,785	8,785
Other comprehensive income for the period	-	-	-	(94)	-	(94)
Total comprehensive income for the period	-	-	-	(94)	8,785	8,691
Recognition of share-based payments	-	-	1,243	-	-	1,243
<b>Balance as of 31 March 2020</b>	<b>216,571</b>	<b>(14)</b>	<b>3,401</b>	<b>(98)</b>	<b>205,354</b>	<b>425,214</b>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying notes to the Interim Financial Report.



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Year-to-date ended	
	31.3.2021	31.3.2020
	RM'000	RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit for the period	6,060	8,785
Adjustments for:		
Depreciation of property, plant and equipment	4,688	4,241
Depreciation of right-of-use assets	58	-
Tax expense recognised in profit or loss	1,847	4,383
Finance costs	109	123
Interest income	(56)	(68)
Investment revenue	(366)	(374)
Other non-cash items	782	1,792
	<u>13,122</u>	<u>18,882</u>
<b>Movements in working capital</b>		
Increase in current assets	(4,028)	(8,249)
Decrease in current liabilities	(1,154)	(1,424)
<b>Cash generated from operations</b>	<u>7,940</u>	<u>9,209</u>
Interest received	56	68
Income tax paid	(2,155)	(2,476)
<b>Net cash from operating activities</b>	<u>5,841</u>	<u>6,801</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Proceeds from disposal of other investments	12,500	16,250
Proceeds from disposal of property, plant and equipment	86	37
Investment revenue received	25	25
Purchase of property, plant and equipment	(1,152)	(3,535)
Placement of other investments	(5,800)	(8,700)
Deposits paid for purchase of property, plant and equipment	(9,381)	(4,118)
<b>Net cash used in investing activities</b>	<u>(3,722)</u>	<u>(41)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Repayment of borrowings	(415)	(503)
Repayment of lease liabilities	(75)	-
Finance cost paid	(109)	(123)
Proceeds from borrowings	712	180
<b>Net cash from/(used in) financing activities</b>	<u>113</u>	<u>(446)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,232	6,314
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	23,192	17,013
Effect on exchange rate changes on balance of cash held in foreign currencies	55	(40)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>25,479</u>	<u>23,287</u>
Cash and cash equivalents at end of period comprise the following:		
Fixed deposits, cash and bank balances	25,502	23,310
Less : fixed deposit pledged	(23)	(23)
	<u>25,479</u>	<u>23,287</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying notes to the Interim Financial Report.



## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

### **1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting", International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim financial report are consistent with those applied in the Group's audited financial statements for the financial year ended 31 December 2020 except for the adoption of new and amendments to Malaysian Financial Reporting Standards ("MFRSs") effective for annual periods beginning on or after 1 January 2021.

#### **Adoption of MFRSs and Amendments to MFRS Standards**

The Group adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2021:

Amendments to MFRS 16	COVID-19 Related Rent Concessions
Amendments to MFRS 9, 139, 7, 4 and 16	Interest Rate Benchmark Reform - Phase 2

The application of the above amendments to MFRSs has no material impact on the amounts reported and disclosures made in the financial statements.

#### **Standards in issue but not yet effective**

The Group has not elected for early adoption of the following new and amendments to MFRSs which have been issued but not yet effective at the date of authorisation for issue of the interim financial report:

Amendments to MFRS 3	Reference to the Conceptual Framework <sup>1</sup>
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use <sup>1</sup>
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract <sup>1</sup>
Annual Improvements to MFRS Standards 2018 - 2020 Cycle	Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards, MFRS 9 Financial Instruments, MFRS 16 Leases, and MFRS 141 Agriculture <sup>1</sup>
Amendments to MFRS 4	Extension of the Temporary Exemption from applying MFRS 9 <sup>2</sup>
MFRS 17	Insurance Contracts <sup>2</sup>
Amendments to MFRS 17	Insurance Contracts <sup>2</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to MFRS 101	Disclosure of Accounting Policies <sup>2</sup>
Amendments to MFRS 108	Definition of Accounting Estimates <sup>2</sup>
Amendments to MFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021 <sup>3</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after 1 April 2021, with earlier application permitted.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

### **3. AUDITORS' REPORT ON PRECEDING YEAR FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the preceding financial year ended 31 December 2020 was unmodified and did not contain material uncertainty related to going concern.

### **4. SEASONAL AND CYCLICAL FACTORS**

The operations of the Group are generally not materially affected by any seasonal nor cyclical factors. However, festive periods and hot weather do affect positively the demand of bottled water products.

## 5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material items of an unusual nature and amount for the current quarter and year-to-date ended 31 March 2021.

## 6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in the estimates used in the current quarter compared to those used in the previous financial year which have a material effect in the current quarter and year-to-date ended 31 March 2021.

## 7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

On 20 November 2019, the Company awarded a total of 10,234,000 ordinary shares of the Company under the Employees' Share Grant Plan ("SGP") to Eligible Employees of the Group. The number of SGP shares awarded to Eligible Directors of the Company under the SGP is 2,937,000. The SGP shares will be allotted and vested with the Eligible Employees on the third anniversary date from the end of the relevant financial year in which the earnings target has been achieved.

During the current quarter and year-to-date ended 31 March 2021, 261,000 units of the SGP shares lapsed and the balance outstanding as at 31 March 2021 is 9,711,000. None of the SGP shares were vested during the current quarter and year-to-date ended 31 March 2021.

There were no issuance, no repayment of debt and equity securities and share buy-backs during the current quarter and year-to-date ended 31 March 2021.

As at 31 March 2021, the total shares held as treasury shares remained at 24,000 shares as none of the treasury shares were resold or cancelled during the current quarter and year-to-date ended 31 March 2021. The number of ordinary shares in issue after excluding the treasury shares is 209,968,727.

## 8. DIVIDEND PAID

No dividend was paid during the current quarter and year-to-date ended 31 March 2021.

## 9. SEGMENTAL REPORTING

The analysis of the Group's business segments for the current quarter and year-to-date ended 31 March 2021 are as follows:

Quarter and year-to-date ended 31 March 2021	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>					
External revenue	71,633	4,354	65	-	76,052
Inter-segment revenue	20,344	4	49	(20,397)	-
Total revenue	91,977	4,358	114	(20,397)	76,052
<u>Results</u>					
Segment results	8,099	(327)	315	(437)	7,650
Finance costs					(109)
Investment revenue					366
Profit before tax					7,907
Tax expense					(1,847)
Profit for the period					6,060
As at 31 March 2021	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Assets</u>					
Segment assets	454,929	8,450	273,712	(218,674)	518,417
Unallocated segment assets					5,763
Consolidated total assets					524,180
<u>Liabilities</u>					
Segment liabilities	128,973	9,615	1,176	(85,652)	54,112
Unallocated segment liabilities					19,336
Consolidated total liabilities					73,448

## 10. CARRYING AMOUNT AND ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

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

Details of the Group's acquisition of property, plant and equipment are as follows:

	Quarter ended 31.3.2021 RM'000	Year-to-date ended 31.3.2021 RM'000
Total purchase of property, plant and equipment	1,858	1,858
Purchased by cash	1,152	1,152

## 11. MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter and year-to-date ended 31 March 2021 up to the date of this report.

## 12. CHANGES IN THE COMPOSITION OF THE GROUP

On 6 January 2021, a new wholly-owned subsidiary, Spritzer Development Sdn Bhd ("Spritzer Development") has been incorporated under the Companies Act 2016 with a total issued share capital of RM2 comprising 2 ordinary shares.

The intended principal activities of Spritzer Development are of property development, investment holding and commercial trading. Spritzer Development has remained dormant as at the date of this report.

Except as stated above, there were no other changes in the composition of the Group during the current quarter and year-to-date ended 31 March 2021.

## 13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities and assets as at the date of this report.

## 14. CAPITAL COMMITMENTS

Capital commitments in respect of property, plant and equipment that are not provided for in the interim financial statements as at 31 March 2021 are as follows:

	RM'000
<i>Approved and contracted for</i>	
Land	69,139
Plant, machinery and equipment	3,691
	<u>72,830</u>

Included in capital commitment is an amount of RM 68,500,019 being commitment by a wholly-owned subsidiary, Chuan Sin Sdn Bhd for the purchase of 47 agriculture land lots with a total land area of approximately 1,227.6 acres, for a total consideration of RM76,111,132.

## 15. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Profit before tax is arrived at after crediting/(charging):

	Quarter ended 31.3.2021 RM'000	Year-to-date ended 31.3.2021 RM'000
Interest income	56	56
Interest expense	(60)	(60)
Investment revenue	366	366
Depreciation of property, plant and equipment and right-of-use assets	(4,746)	(4,746)
Equity-settled share-based payments	(765)	(765)
Amortisation of intangible asset	(3)	(3)
Allowance for and write off of receivables and credit losses	(111)	(111)
Allowance for and write off of inventories	(65)	(65)
Gain/(Loss) on disposal of quoted/unquoted investments or properties	-	-
Gain on disposal of property, plant and equipment	65	65
Property, plant and equipment written off	(17)	(17)
Impairment of assets	-	-
Gain on foreign exchange	86	86
Loss on derivatives	-	-



## 16. REVIEW OF PERFORMANCE

### Revenue

The revenue of the Group consists of the following:

	Quarter ended			Year-to-date ended		
	31.3.2021	31.3.2020	Change	31.3.2021	31.3.2020	Change
	RM'000	RM'000		RM'000	RM'000	
Sale of bottled water and related products	71,105	87,912	-19%	71,105	87,912	-19%
Sale of plastic packaging materials	4,882	4,790	2%	4,882	4,790	2%
Income from mini golf operation	65	100	-35%	65	100	-35%
Total revenue	<u>76,052</u>	<u>92,802</u>	-18%	<u>76,052</u>	<u>92,802</u>	-18%

Analysis of revenue by segment is as follows:

	Quarter ended			Year-to-date ended		
	31.3.2021	31.3.2020	Change	31.3.2021	31.3.2020	Change
	RM'000	RM'000		RM'000	RM'000	
Manufacturing	71,633	88,427	-19%	71,633	88,427	-19%
Trading	4,354	4,275	2%	4,354	4,275	2%
Others	65	100	-35%	65	100	-35%
Total revenue	<u>76,052</u>	<u>92,802</u>	-18%	<u>76,052</u>	<u>92,802</u>	-18%

The Group recorded a revenue of RM76.1 million during the current quarter and year-to-date ended 31 March 2021 is an 18% decrease from the RM92.8 million recorded in the same period in the previous year. The Group's current quarter and year-to-date revenue from manufacturing segment of RM71.6 million is a 19% reduction from the RM88.4 million revenue derived in the same period in the previous year. Revenue from trading segment increased 2% from RM4.3 million to RM4.4 million compared to the same period in the previous year.

The reduction in the Group's sales revenue in the current quarter and year-to-date ended 31 March 2021 is due to reduction in sales volume and average selling price. Sales volume reduced as a result of less consumer demand after the Government re-imposed stricter movement restrictions by the re-implementation of nationwide Movement Control Order ("MCO 2.0") in the effort to curb new wave of COVID-19 cases.

Revenue from trading segment has increased slightly mainly due to increase in sales in China as the Group ventures into selling a wider range of sundry goods in China.

### Other gains and losses

Included in other gains and losses are the following:

	Quarter ended			Year-to-date ended		
	31.3.2021	31.3.2020	Change	31.3.2021	31.3.2020	Change
	RM'000	RM'000		RM'000	RM'000	
Investment revenue	366	374	-2%	366	374	-2%
Gain on foreign exchange	86	91	-5%	86	91	-5%
Allowance for and write off of receivables and credit losses ("loss allowance")	(111)	(489)	-77%	(111)	(489)	-77%
Allowance for and write off of inventories	<u>(65)</u>	<u>(133)</u>	-51%	<u>(65)</u>	<u>(133)</u>	-51%

Investment revenue is derived from placement of excess funds as short term investment in money market funds.

Gain/(Loss) on foreign exchange comprises realised and unrealised foreign currencies exchange differences arising from trade transactions. The major foreign currencies transacted by the Group in trade transactions are United States Dollar, Chinese Renminbi and Singapore Dollar.

The loss allowance in the current quarter and year-to-date ended 31 March 2021 is lower compared to the same period in previous year because there was a significant increase in expected credit loss on trade receivables when COVID-19 pandemic first hit the nation during the first quarter of 2020.

## Cost of sales and other operating expenses

	Quarter ended			Year-to-date ended		
	31.3.2021	31.3.2020	Change	31.3.2021	31.3.2020	Change
	RM'000	RM'000		RM'000	RM'000	
Cost of sales	44,005	50,086	-12%	44,005	50,086	-12%
Other operating expenses	24,578	29,543	-17%	24,578	29,543	-17%
	<u>68,583</u>	<u>79,629</u>	-14%	<u>68,583</u>	<u>79,629</u>	-14%

The decrease in cost of sales of 12% for the current quarter and year-to-date ended 31 March 2021 compared to the same period in the previous year is in line with the reduction in sales. Other operating expenses decreased by 17% in the current quarter and year-to-date compared to the same period in the previous year mainly due to decrease in selling and distribution expenses in line with the decrease in sales.

## Profit before tax and segment results

Analysis of results by segment is as follows:

	Quarter ended			Year-to-date ended		
	31.3.2021	31.3.2020	Change	31.3.2021	31.3.2020	Change
	RM'000	RM'000		RM'000	RM'000	
Manufacturing	8,099	13,644	-41%	8,099	13,644	-41%
Trading	(327)	(612)	-47%	(327)	(612)	-47%
Others	315	801	-61%	315	801	-61%
Eliminations	(437)	(916)	-52%	(437)	(916)	-52%
Segment results	<u>7,650</u>	<u>12,917</u>	-41%	<u>7,650</u>	<u>12,917</u>	-41%
Profit before tax	<u>7,907</u>	<u>13,168</u>	-40%	<u>7,907</u>	<u>13,168</u>	-40%

The Group's manufacturing segment results of RM8.1 million in the current quarter and year-to-date ended 31 March 2021 represents a decrease of 41% from the RM13.6 million achieved in the same period in the previous year due to significant decrease in consumer demand and therefore sales volume of bottled water because of the enforcement of movement restrictions by the Government.

The Group's trading segment results has improved 47% to RM0.3 million loss during the current quarter and year-to-date ended 31 March 2021 from the RM0.6 million loss recorded in the same period in the previous year. The decrease in trading segment loss is mainly due to increase in sales and reduction in operating expenses.

The Group recorded a profit before tax of RM7.9 million during the current quarter and year-to-date ended 31 March 2021, representing a 40% decrease from the RM13.2 million recorded in the same period last year mainly due reduction in sales.

## 17. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE IMMEDIATE PRECEDING QUARTER

	Quarter ended		Change
	31.3.2021	31.12.2020	
	RM'000	RM'000	
Revenue	76,052	72,628	5%
Profit before tax	<u>7,907</u>	<u>5,249</u>	51%

The Group recorded a revenue of RM76.1 million during the current quarter ended 31 March 2021, which represents a 5% increase compared to the RM72.6 million recorded in the immediate preceding quarter ended 31 December 2020. During the current quarter ended 31 March 2021 revenue increased due to increase in sales volume as a result of extensive sales promotion and marketing activities carried out during the Chinese New Year festive season.

The Group's profit before tax has increased 51% in the current quarter to RM7.9 million from RM5.2 million in the immediate preceding quarter mainly due increase in other gains and losses. Included in other gains and losses of the immediate preceding quarter is an amount of RM3.0 million being property, plant and equipment written off.

## 18. FUTURE PROSPECTS

The Board is taking a cautious view over the remaining months of 2021 due to the high infection rate of the COVID-19 pandemic. In the light of the introduction of the more stringent movement control measures, we anticipate consumer sentiment to remain depressed and consumption of bottled water to be impacted. Though we are hopeful that the Malaysia COVID-19 vaccination programme will lead to lower infected cases and thus facilitate a gradual economic recovery, the introduction of various intermittent and stringent movement control measures will affect such recovery.

The Group will continue to exercise caution in the conduct of its operating activities to ensure adherence to the requisite health and safety requirements issued by the Government. We will continue to focus on our core brands and further automate and enhance our production processes and capacity. We will also continue with our efforts on exploring and introducing sustainable packaging alternatives for our bottled water products.

We will also further strengthen the differentiation of Spritzer products by highlighting the quality of our products, in particular the absence of microplastics in Spritzer natural mineral water in laboratory tests conducted by SIRIM Berhad earlier this year.

In view of the challenging environment, the Group is taking prudent measures to review and reduce costs and actively taking steps to grow its online channel and as far as possible, to expand the overseas market. We are adapting to the challenges of a "new normal" and taking appropriate measures to cater to the needs of our customers and consumers. We will focus on sustaining our sales revenue and to further improve our market share in the bottled water industry.

## 19. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT

Not applicable.

## 20. TAX EXPENSE

	Quarter ended 31.3.2021 RM'000	Year-to-date ended 31.3.2021 RM'000
Income tax		
- current period	840	840
Deferred tax		
- current period	1,007	1,007
	<u>1,847</u>	<u>1,847</u>

The effective tax rate for the current quarter and year-to-date ended 31 March 2021 is lower than the statutory income tax rate mainly due to utilisation of Special Reinvestment Allowance.

## 21. CORPORATE PROPOSAL AND STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no outstanding corporate proposals as at the date of this report.

## 22. GROUP BORROWINGS

The Group's borrowings as at 31 March 2021 are as follows:

	RM'000
<i>Current portion (repayable in the next 12 months)</i>	
Unsecured - Term loan	744
Secured - Revolving credit	3,945
	4,689
<i>Non-current portion (repayment after next 12 months)</i>	
Unsecured - Term loan	-
	<u>4,689</u>

All outstanding borrowings are denominated in Ringgit Malaysia except for a revolving credit loan of RM3,944,695 which is denominated in Chinese Renminbi.

Group borrowings are on fixed interest rates. The average effective interest rates per annum applicable on the borrowings outstanding as at 31 March 2021 are as follows:

	%
Term loans	3.01
Revolving credit	<u>4.50</u>

## 23. MATERIAL LITIGATION

There were no material litigation involving the Group as at the date of this report.

## 24. DIVIDEND

The Directors have proposed a first and final dividend of 4.5 sen per ordinary share, under the single tier system, in respect of the previous financial year ended 31 December 2020. The dividend will be paid on 18 June 2021 and has not been included as a liability in the financial statements.

## 25. EARNINGS PER SHARE ("EPS")

Basic and diluted earnings per ordinary share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares in issue during the period.

	Quarter ended 31.3.2021 RM'000	Year-to-date ended 31.3.2021 RM'000
Profit attributable to owners of the Company	6,060	6,060
<b>Basic and diluted earnings per share</b>		
	<b>'000</b>	<b>'000</b>
Number of shares (excluding treasury shares) in issue at beginning of the period	209,969	209,969
Add: Weighted average number of shares issued during the period	-	-
Weighted average number of shares in issue during the period (basic)	209,969	209,969
Basic EPS (sen)	2.89	2.89
<b>Diluted earnings per share</b>		
	<b>'000</b>	<b>'000</b>
Weighted average number of shares used in the calculation of basic EPS	209,969	209,969
Shares deemed to be issued for no consideration in respect of SGP	4,282	4,282
Weighted average number of shares in issue during the period (diluted)	214,251	214,251
Diluted EPS (sen)	2.83	2.83

## 26. TRADE AND OTHER RECEIVABLES

	As at 31.3.2021 RM'000
Trade receivables	
- Non-related parties	18,208
- Related parties	34,482
	52,690
Loss allowance	(681)
	52,009
Other receivables	12
	52,021

The credit terms of trade receivables granted to non-related parties and related parties are the same, with credit period ranging from 30 - 120 days.

Ageing of trade receivables which are past due but not impaired as at 31 March 2020 is as follows:

	Non-related parties RM'000	Related parties RM'000
1 - 30 days	299	-
31 - 60 days	331	-
61 - 90 days	24	-
More than 120 days	-	1,925
	355	1,925

## 27. RELATED PARTY DISCLOSURE

Related party transactions of the Group have been entered into in the normal course of business and are carried out on normal commercial terms.

Details of the significant related party transactions during the period are as follows:

	Quarter ended 31.3.2021 RM'000	Year-to-date ended 31.3.2021 RM'000
<i>*Yee Lee Corporation Bhd Group of Companies</i>		
Sales	31,195	31,195
Purchases	635	635
Others	12	12
<i>YLTC Sdn Bhd</i>		
Sales	4,772	4,772
<i>Cactus Marketing Sdn Bhd</i>		
Sales	824	824
Rental of premise received	27	27
<i>Yee Lee Oils &amp; Foodstuff (Singapore) Pte Ltd</i>		
Sales	982	982
<i>Cranberry International Sdn Bhd</i>		
Rental of premise received	17	17
<i>ASAP International Sdn Bhd</i>		
Rental of premise received	11	11
<i>Multibase Systems Sdn Bhd</i>		
Corporate secretarial fees paid	6	6
<i>Sabah Tea Garden Sdn Bhd</i>		
Sales	1	1
Purchases	11	11

*\*Yee Lee Corporation Bhd Group of Companies includes the following:*

- Yee Lee Edible Oils Sdn Bhd
- Yee Lee Trading Co Sdn Bhd
- South East Asia Paper Products Sdn Bhd (ceased being a member of Yee Lee Corporation Bhd Group effective 1 March 2021)
- Yee Lee Marketing Sdn Bhd
- Desa Tea Sdn Bhd

## 28. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 May 2021.