

**SPRITZER BHD**

Reg. No.: 199301010611 (265348-V)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	Quarter ended			Year-to-date ended		
	30.9.2023 RM'000	30.9.2022 RM'000	Change	30.9.2023 RM'000	30.9.2022 RM'000	Change
Revenue	132,558	119,588	11%	365,669	324,600	13%
Other gains and losses	620	985	-37%	3,188	2,652	20%
Cost of sales and other operating expenses	(109,775)	(107,750)	2%	(319,203)	(294,986)	8%
Finance costs	(532)	(309)	72%	(1,113)	(589)	89%
Share of results of associated company	(26)	-	-100%	65	-	100%
Profit before tax	<u>22,845</u>	<u>12,514</u>	83%	<u>48,606</u>	<u>31,677</u>	53%
Tax expense	(5,880)	(1,087)	441%	(12,333)	(5,979)	106%
Profit for the period	<u>16,965</u>	<u>11,427</u>	48%	<u>36,273</u>	<u>25,698</u>	41%
Profit attributable to owners of the Company	<u>16,965</u>	<u>11,427</u>	48%	<u>36,273</u>	<u>25,698</u>	41%
Earnings per share						
(a) Basic (sen)	<u>5.32</u>	<u>3.63</u>	46%	<u>11.39</u>	<u>8.17</u>	39%
(b) Diluted (sen)	<u>5.23</u>	<u>3.53</u>	48%	<u>11.20</u>	<u>7.94</u>	41%

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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 30 SEPTEMBER 2023**

	<u>Quarter ended</u>		<u>Year-to-date ended</u>	
	<u>30.9.2023</u>	<u>30.9.2022</u>	<u>30.9.2023</u>	<u>30.9.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the period	16,965	11,427	36,273	25,698
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value (loss)/gain on investment in equity instrument designated as at fair value through other comprehensive income ("FVTOCI")	-	-	(644)	1,419
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign entities	(14)	53	(99)	-
Other comprehensive (loss)/income for the period	<u>(14)</u>	<u>53</u>	<u>(743)</u>	<u>1,419</u>
Total comprehensive income for the period attributed to owners of the Company	<u>16,951</u>	<u>11,480</u>	<u>35,530</u>	<u>27,117</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 2022 and the accompanying notes to the Interim Financial Report.



SPRITZER BHD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	AS AT 30.9.2023 RM'000	AUDITED AS AT 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	426,655	411,936
Right-of-use assets	396	432
Investment properties	5,537	5,380
Investment in associated company	2,317	-
Other investments	2,577	3,221
Goodwill on consolidation	40	40
Other intangible asset	223	227
Deferred tax asset	2	-
Total non-current assets	437,747	421,236
Current assets		
Other investments	16,174	21,122
Inventories	43,959	44,097
Trade and other receivables	102,729	82,191
Current tax assets	4,115	5,543
Other assets	20,909	5,074
Fixed deposits, cash and bank balances	34,465	21,691
Total current assets	222,351	179,718
Total assets	660,098	600,954
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	223,239	216,571
Treasury shares	(1,799)	(2,248)
Other reserves	7,007	14,071
Retained earnings	287,877	265,086
Total equity	516,324	493,480
Non-current liabilities		
Lease liabilities	141	101
Borrowings	27,788	-
Deferred tax liabilities	27,441	22,510
Total non-current liabilities	55,370	22,611
Current liabilities		
Trade and other payables	37,939	36,750
Lease liabilities	82	231
Borrowings	10,645	16,095
Current tax liabilities	3,211	172
Other liabilities	36,527	31,615
Total current liabilities	88,404	84,863
Total liabilities	143,774	107,474
Total equity and liabilities	660,098	600,954
Net assets per share attributable to owners of the Company (RM)	1.6231	2.3626

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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 30 SEPTEMBER 2023

	Share Capital RM'000	Treasury Shares RM'000	Non-distributable Reserves			Distributable Reserve	Total Equity RM'000
			Equity-settled Employee Benefits Reserve RM'000	Investment Revaluation Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	
Balance as of 1 January 2023	216,571	(2,248)	12,903	1,419	(251)	265,086	493,480
Profit for the period	-	-	-	-	-	36,273	36,273
Other comprehensive loss for the period	-	-	-	(644)	(99)	-	(743)
Total comprehensive income for the period	-	-	-	(644)	(99)	36,273	35,530
Recognition of share-based payments	-	-	2,401	-	-	-	2,401
Payment of dividend	-	-	-	-	-	(13,303)	(13,303)
Own shares acquired during the period	-	(1,784)	-	-	-	-	(1,784)
Employees share grant plan shares vested	6,668	2,233	(8,722)	-	-	(179)	-
Balance as of 30 September 2023	223,239	(1,799)	6,582	775	(350)	287,877	516,324
Balance as of 1 January 2022	216,571	(14)	9,018	-	(395)	237,570	462,750
Profit for the period	-	-	-	-	-	25,698	25,698
Other comprehensive loss for the period	-	-	-	1,419	-	-	1,419
Total comprehensive income for the period	-	-	-	1,419	-	25,698	27,117
Recognition of share-based payments	-	-	3,744	-	-	-	3,744
Payment of dividend	-	-	-	-	-	(9,449)	(9,449)
Own shares acquired during the period	-	(1,291)	-	-	-	-	(1,291)
Balance as of 30 September 2022	216,571	(1,305)	12,762	1,419	(395)	253,819	482,871

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying notes to the Interim Financial Report.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Year-to-date ended	
	30.9.2023	30.9.2022
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit for the period	36,273	25,698
Adjustments for:		
Depreciation of property, plant and equipment	15,833	14,143
Tax expense recognised in profit or loss	12,333	5,979
Equity-settled share-based payments	2,401	3,744
Finance costs	1,113	589
Depreciation of right-of-use assets	159	195
Interest income	(347)	(267)
Investment revenue	(268)	(185)
Share of results in associated company	(65)	-
Other non-cash items	312	(389)
	<u>67,744</u>	<u>49,507</u>
Movements in working capital		
Increase in current assets	(20,895)	(29,423)
Increase in current liabilities	5,482	5,467
Cash generated from operations	<u>52,331</u>	<u>25,551</u>
Interest received	347	267
Income tax refunded	1,986	-
Income tax paid	(4,923)	(2,886)
Net cash from operating activities	<u>49,741</u>	<u>22,932</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of other investments	30,541	168,788
Proceeds from disposal of property, plant and equipment	411	294
Investment revenue received	76	76
Purchase of property, plant and equipment	(29,492)	(91,239)
Placement of other investments	(25,250)	(97,663)
Deposits paid for purchase of property, plant and equipment	(16,685)	(6,753)
Subscription of shares in associated company	(2,252)	-
Purchase of investment properties	(157)	-
Subscription of shares in unquoted investment	-	(802)
Withdrawal of fixed deposit	-	23
Net cash used in investing activities	<u>(42,808)</u>	<u>(27,276)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from borrowings - net	22,338	17,654
Dividend paid	(13,303)	(9,449)
Purchase of own shares	(1,784)	(1,291)
Finance cost paid	(1,113)	(589)
Repayment of lease liabilities	(232)	(273)
Net cash from financing activities	<u>5,906</u>	<u>6,052</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,839	1,708
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21,691	21,729
Effect on exchange rate changes on balance of cash held in foreign currencies	(65)	175
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>34,465</u>	<u>23,612</u>
Cash and cash equivalents at end of period comprise the following:		
Fixed deposits, cash and bank balances	<u>34,465</u>	<u>23,612</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying notes to the Interim Financial Report.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

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 ("Bursa Securities") and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

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 2022 except for the adoption of new and amendments to MFRSs effective for annual periods beginning on or after 1 January 2023 and the following new accounting policy:

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.

Investment in an associated company is stated at cost less accumulated impairment losses, in the separate financial statements of a subsidiary.

Standards in issue but not yet effective

The Group has not elected for early adoption of the following 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 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to MFRS 7 and 107	Supplier Finance Arrangements ¹
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to MFRS 101	Non-current Liabilities with Covenants ¹
Amendments to MFRS 121	Exchangeability ²

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

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

³ Effective date deferred to a date to be announced by MASB.

3. AUDITORS' REPORT ON PRECEDING YEAR FINANCIAL STATEMENTS

The auditors' report on the financial statements for the preceding financial year ended 31 December 2022 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 unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and year-to-date ended 30 September 2023.

6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in the estimates used in the current quarter and year-to-date ended 30 September 2023 compared to those used in the previous financial year which have a material effect in the current quarter and year-to-date ended 30 September 2023.

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 ended 30 September 2023, none of the SGP shares were vested. During the year-to-date ended 30 September 2023, 3,982,300 units of the SGP shares are vested, and the Company issued 2,883,400 new ordinary shares and transferred 1,098,900 treasury shares to eligible employees and Executive Directors.

There were no new SGP shares granted and 29,100 units of the SGP shares are lapsed during the current quarter and year-to-date ended 30 September 2023. The SGP shares balance outstanding as at 30 September 2023 is 7,917,900.

During the current quarter and year-to-date ended 30 September 2023, the Company issued a total of 106,438,018 bonus shares pursuant to the Bonus Issue of New Ordinary Shares in Spritzer on the basis of 1 bonus share for every 2 existing Spritzer shares held approved by the Shareholders in the Annual General Meeting on 30 May 2023.

The details of the Company's shares repurchased are as follows:

	Quarter ended 30.9.2023		Year-to-date ended 30.9.2023	
	No of shares	RM'000	No of shares	RM'000
Ordinary shares repurchased	1,164,100	1,784	1,164,100	1,784

As at 30 September 2023, the total shares held as treasury shares stands at 1,201,000 with the value of RM1,798,662 and the number of ordinary shares in issue after excluding the treasury shares is 318,113,145 and the corresponding paid up share capital is RM221,439,873. None of the treasury shares were resold or cancelled during the current quarter and year-to-date ended 30 September 2023.

There were no issuance, no repayment of debt and equity securities during the current quarter and year-to-date ended 30 September 2023.

8. DIVIDEND PAID

On 23 June 2023 the Company paid a first and final dividend of 6.25 sen per share, under the single-tier system, amounting to RM13,303,218 in respect of the previous financial year ended 31 December 2022.

9. SEGMENTAL REPORTING

The analysis of the Group's business segments for the current quarter and year-to-date ended 30 September 2023 are as follows:

Quarter ended 30 September 2023	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>					
External sales	127,091	5,162	305	-	132,558
Inter-segment sales	35,873	454	60	(36,387)	-
Total revenue	<u>162,964</u>	<u>5,616</u>	<u>365</u>	<u>(36,387)</u>	<u>132,558</u>
<u>Results</u>					
Segment results	<u>23,688</u>	<u>(276)</u>	<u>723</u>	<u>(869)</u>	23,266
Finance costs					(532)
Share of results of associated company					(26)
Investment revenue					137
Profit before tax					<u>22,845</u>
Tax expense					(5,880)
Profit for the period					<u>16,965</u>
Year-to-date ended 30 September 2023	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>					
External sales	349,172	15,686	811	-	365,669
Inter-segment sales	104,304	465	4,102	(108,871)	-
Total revenue	<u>453,476</u>	<u>16,151</u>	<u>4,913</u>	<u>(108,871)</u>	<u>365,669</u>
<u>Results</u>					
Segment results	<u>50,967</u>	<u>(1,779)</u>	<u>6,328</u>	<u>(6,130)</u>	49,386
Finance costs					(1,113)
Share of results of associated company					65
Investment revenue					268
Profit before tax					<u>48,606</u>
Tax expense					(12,333)
Profit for the year					<u>36,273</u>
As at 30 September 2023	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Assets</u>					
Segment assets	705,462	6,786	282,007	(340,591)	653,664
Investment in associated company					2,317
Unallocated segment assets					4,117
Consolidated total assets					<u>660,098</u>
<u>Liabilities</u>					
Segment liabilities	298,734	12,678	837	(199,127)	113,122
Unallocated segment liabilities					30,652
Consolidated total liabilities					<u>143,774</u>

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 30.9.2023 RM'000	Year-to-date ended 30.9.2023 RM'000
Total purchase of property, plant and equipment	<u>19,553</u>	<u>31,124</u>
Purchased by cash	<u>17,921</u>	<u>29,492</u>

11. MATERIAL SUBSEQUENT EVENTS

There were no material event subsequent to the end of the current quarter and year-to-date ended 30 September 2023 and up to the date of this report.

12. CHANGES IN THE COMPOSITION OF THE GROUP

On 23 December 2022, a wholly owned subsidiary, Chuan Sin Sdn Bhd entered into a Subscription Agreement with The Tapping Tapir Sdn Bhd ("TTT"), a company incorporated in Malaysia to subscribe for 42,861 ordinary shares, representing 30% of the entire issued share capital of TTT for a total consideration of RM2,198,769. The transaction was completed on 3 January 2023 and TTT became an associated company of the Group. The principal activity of TTT is manufacturing, producing and distribution of beverages.

There were no other changes in the composition of the Group during the current quarter and year-to-date ended 30 September 2023.

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 30 September 2023 are as follows:

	<u>RM'000</u>
<i>Approved and contracted for</i>	
Land and buildings	13,321
Plant, machinery and equipment	34,193
Motor vehicles	1,278
	<u>48,792</u>
<i>Authorised but not contracted for</i>	
Land and buildings	6,500
Plant, machinery and equipment	8,564
Motor vehicles	-
	<u>15,064</u>
	<u><u>63,855</u></u>

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

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

	Quarter ended 30.9.2023 RM'000	Year-to-date ended 30.9.2023 RM'000
Interest income	152	347
Allowance for and write off of inventories	53	(83)
Investment revenue	137	268
Change in fair value of other investments	20	124
Gain on disposal of quoted/unquoted investments or properties	3	27
Gain on foreign exchange	(146)	316
Depreciation of property, plant and equipment and right-of-use assets	(5,630)	(15,992)
Equity-settled share-based payments	(672)	(2,401)
Interest expense	(382)	(894)
Property, plant and equipment written off	(60)	(266)
Allowance for impairment loss and credit losses on receivables	(378)	(502)
Gain on derivatives - foreign exchange forward contracts	-	-
Gain on disposal of property, plant and equipment	99	105
Amortisation of intangible asset	(2)	(4)
Receivables written off	-	-

16. REVIEW OF PERFORMANCE

Revenue

The revenue of the Group consists of the following:

	Quarter ended			Year-to-date ended		
	30.9.2023	30.9.2022	Change	30.9.2023	30.9.2022	Change
	RM'000	RM'000		RM'000	RM'000	
Sale of bottled water and sundry goods	127,971	112,755	13%	349,006	304,578	15%
Sale of plastic packaging materials	4,282	6,575	-35%	15,852	19,292	-18%
Income from mini golf operation	305	258	18%	811	730	11%
Total revenue	132,558	119,588	11%	365,669	324,600	13%

Analysis of revenue by segment is as follows:

	Quarter ended			Year-to-date ended		
	30.9.2023	30.9.2022	Change	30.9.2023	30.9.2022	Change
	RM'000	RM'000		RM'000	RM'000	
Manufacturing	127,091	112,704	13%	349,172	306,210	14%
Trading	5,162	6,626	-22%	15,686	17,660	-11%
Others	305	258	18%	811	730	11%
Total revenue	132,558	119,588	11%	365,669	324,600	13%

The Group recorded a revenue of RM132.6 million during the current quarter ended 30 September 2023 representing a 11% increase from the RM119.6 million recorded in the same quarter in the previous year. The Group's current quarter revenue from manufacturing segment of RM127.1 million is an 13% increase from the RM112.7 million revenue derived in the same quarter in the previous year. Current quarter revenue from trading segment however, decreased 22% from RM6.6 million to RM5.2 million compared to the same quarter in the previous year.

The increase in the Group's sales revenue in the current quarter ended 30 September 2023 is due to increase in sales volume of bottled water from the manufacturing segment. Trading segment's revenue for the current quarter ended 30 September 2023 decreased mainly due to lower sales volume.

The Group recorded a revenue of RM365.7 million in the year-to-date ended 30 September 2023, which is a 13% increase from the RM324.6 million recorded in the same period in the previous year. The Group's year-to-date revenue from manufacturing segment of RM349.2 million represents an increase of 14% from RM306.2 million in the same period in the previous year. Revenue from trading segment decreased 11% from RM17.7 million to RM15.7 million in the year-to-date ended 30 September 2023.

The increase in the Group's sales revenue in the year-to-date ended 30 September 2023 is due to increase in sales volume and average selling prices for bottled water from the manufacturing segment. Trading segment's revenue for the year-to-date ended 30 September 2023 decreased mainly due to lower sales volume.

Other gains and losses

Included in other gains and losses are the following:

	Quarter ended			Year-to-date ended		
	30.9.2023	30.9.2022	Change	30.9.2023	30.9.2022	Change
	RM'000	RM'000		RM'000	RM'000	
Income from sale of fresh fruit bunches ("FFB")	479	625	-23%	1,347	662	103%
Insurance proceeds from flood damage	717	-	100%	717	-	100%
Reversal of/(Allowance for) and write off of inventories	53	(139)	-138%	(83)	(369)	-78%
Change in fair value of other investments	20	43	-53%	124	444	-72%
Impairment loss on receivables and credit losses ("loss allowance") - net	(488)	(22)	NM*	(502)	(16)	NM*
(Loss)/Gain on foreign Property, plant and equipment written off	(146)	70	-309%	316	221	43%
	(60)	(9)	567%	(266)	(74)	259%

* Not Meaningful

Income from sale of FFB for the current quarter and year-to-date ended 30 September 2023 consist of proceeds from sale of oil palm fresh fruit bunches net of direct estate operating cost from the 47 agriculture land lots known as Temerloh Estate located at Trong, Perak owned by the Group.

The insurance proceed received during the year-to-date ended 30 September 2023 is in relations to the flood loss which occurred on 18 and 19 December 2021, whereby a wholly-owned subsidiary, Chuan Sin Sdn Bhd's Shah Alam plant was affected by flooding resulted in damage to a new machine that was yet to be installed at the time. The insurance proceed was used to pay the repair costs to make good of the said machine.

Change in fair value other investments relate to the fluctuation of closing prices of money market funds investment during the current quarter and year-to-date ended 30 September 2023.

(Loss)/Gain 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 increase in allowance for and write off of receivables in the current quarter and year-to-date ended 30 September 2023 is in respect of estimated credit loss anticipated on a trade receivables which has become doubtful during the current quarter ended 30 September 2023.

The property, plant and equipment written off for the current quarter and the year-to-date ended 30 September 2023 is due to routine writing off of obsolete plant and equipment.

Cost of sales and other operating expenses

	Quarter ended		Change	Year-to-date ended		Change
	30.9.2023	30.9.2022		30.9.2023	30.9.2022	
	RM'000	RM'000		RM'000	RM'000	
Cost of sales	71,313	70,385	1%	207,803	193,792	7%
Other operating expenses	38,462	37,365	3%	111,400	101,194	10%
	<u>109,775</u>	<u>107,750</u>	2%	<u>319,203</u>	<u>294,986</u>	8%

Cost of sales remain rather consistent in the current quarter ended 30 September 2023 compared to the same quarter in the previous year despite the increase in sales mainly due to decrease in raw material cost. Other operating expenses increased 3% in the current quarter ended 30 September 2023 compared to the same quarter in the previous year mainly due to increase in selling and distribution expenses in line with the increase in sales.

The increase in cost of sales of 7% and the increase in other operating expenses of 10% in year-to-date ended 30 September 2023 compared to the same period in the previous year is mainly due to increase in selling and distribution expenses in line with the increase in sales

Profit before tax and segment results

Analysis of results by segment is as follows:

	Quarter ended		Change	Year-to-date ended		Change
	30.9.2023	30.9.2022		30.9.2023	30.9.2022	
	RM'000	RM'000		RM'000	RM'000	
Manufacturing	23,688	13,485	76%	50,967	33,249	53%
Trading	(276)	(692)	-60%	(1,779)	(1,345)	32%
Others	723	8,336	-91%	6,328	9,755	-35%
Eliminations	(869)	(8,349)	-90%	(6,130)	(9,578)	-36%
Segment results	<u>23,266</u>	<u>12,780</u>	82%	<u>49,386</u>	<u>32,081</u>	54%
Profit before tax	<u>22,845</u>	<u>12,514</u>	83%	<u>48,606</u>	<u>31,677</u>	53%

The Group's manufacturing segment results of RM23.7 million in the current quarter ended 30 September 2023 represents an increase of 76% from the RM13.5 million achieved in the same quarter in the previous year due to increase in sales volume and average selling price as well as reduction in cost of raw materials. The Group's manufacturing segment results of RM51.0 million in the year-to-date ended 30 September 2023 represents an increase of 53% from the RM33.2 million achieved in the same period in the previous year is mainly due to increase in sales and reduction in cost of raw materials.

The Group's trading segment loss decreased 60% to RM0.3 million loss during the current quarter ended 30 September 2023 from the RM0.7 million loss recorded in the same quarter in the previous year mainly due to lower operating expenses. The Group's year-to-date trading segment loss increased 32% to RM1.8 million loss during the current period ended 30 September 2023 from the RM1.3 million loss recorded in the same period in the previous year. The increase in trading segment loss is mainly due to decrease in sales revenue and increase in operating costs.

The Group recorded a profit before tax of RM22.8 million during the current quarter ended 30 September 2023, representing an 83% increase from the RM12.5 million recorded in the same quarter in the previous year mainly due to increase in sales revenue driven by increase in bottled water sales volume and average selling price as well as reduction in cost of raw materials. The Group's year-to-date profit before tax increased 53% from RM31.7 million to RM48.6 million during the year-to-date ended 30 September 2023, compared to the same period in the previous year mainly due to increase in sales revenue as a result of increase in bottled water sales revenue as well as reduction in the cost of raw materials.

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

	Quarter ended		Change
	30.9.2023 RM'000	30.6.2023 RM'000	
Revenue	132,558	123,687	7%
Profit before tax	22,845	16,220	41%

The Group recorded a revenue of RM132.6 million during the current quarter ended 30 September 2023, representing an increase of 7% from the RM123.7 million recorded in the immediate preceding quarter ended 30 June 2023 due to increase in bottled water sales volume.

The Group's profit before tax has increased 41% in the current quarter ended 30 September 2023 to RM22.8 million from RM16.2 million in the immediate preceding quarter ended 30 June 2023 mainly due to increase in bottled water sales volume and the reduction in cost of raw materials.

18. FUTURE PROSPECTS

The Malaysian economy expanded moderately by 3.3% in third quarter 2023 and grew by 3.9% for the cumulative three quarters of 2023. However, our revenue has improved strongly by 11% in the current quarter and by 13% for the nine-months ended 30 September 2023. The sales of our bottled water products have remained strong mainly due to the robust demand, the strong recovery in tourism activities and the hot weather environment. Our innovative branding, marketing and promotional activities have also enabled us to deliver a good performance thus far.

We will be vigilant in the conduct of our business activities and remain focus on improving operational efficiency and excellence. We will continue to invest into our core brands and further automate and enhance our production processes and capacities. We will continue to introduce sustainable packaging alternatives for our bottled water products.

We will further strengthen the differentiation of Spritzer products by highlighting the benefits of our silica rich mineral water and also the absence of microplastics in our Spritzer natural mineral water in laboratory tests conducted by SIRIM Berhad.

The directors are optimistic that the Group will be able to further strengthen its market leadership position in the bottled water industry and generate a favourable performance in the financial year ending 31 December 2023.

19. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT

Not applicable.

20. TAX EXPENSE

	Quarter ended	Year-to-date ended
	30.9.2023 RM'000	30.9.2023 RM'000
Income tax		
- current period	3,128	7,487
- prior year	(83)	(83)
Deferred tax		
- current period	2,833	4,920
- prior year	2	9
	<u>5,880</u>	<u>12,333</u>

The effective tax rate for the current quarter and year-to-date ended 30 September 2023 is higher than the statutory income tax rate of 24% mainly due to certain expenses are not allowable for tax purposes and unutilised tax losses of certain subsidiaries not recognised as deferred tax assets.

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

Proposed Bonus Issue

On 7 April 2023, UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH") had, on behalf of the Board, announced that Spritzer proposed to undertake a bonus issue of up to 106,438,063 new ordinary shares in Spritzer ("Spritzer Shares") on the basis of 1 Bonus Share for every 2 existing Spritzer Shares held on an entitlement date to be determined later. The Bonus Shares would be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.

On 20 April 2023, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 19 April 2023, resolved to approve the listing of and quotation for new Spritzer Shares to be issued pursuant to the Proposed Bonus Issue, subject to the conditions as set out in Section 6 of the Circular to Shareholders in relation to the Proposed Bonus Issue dated 28 April 2023.

The Proposed Bonus Issue had been approved by the shareholders in the 30th Annual General Meeting of the Company held on 30 May 2023 and a total of 106,438,018 bonus shares were issued on 21 June 2023, and thereafter were listed and quoted on Bursa Securities on 22 June 2023.

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

22. GROUP BORROWINGS

The Group's borrowings as at 30 September 2023 are as follows:

	<u>RM'000</u>
<i>Current portion (repayable in the next 12 months)</i>	
Unsecured	
- Revolving credits	4,900
- Banker's acceptances	935
Secured	
- Revolving credit	4,810
	<u>10,645</u>
<i>Non-current portion (repayment after next 12 months)</i>	
Unsecured	
- Revolving credits	27,788
	<u><u>38,433</u></u>

The secured revolving credit loan of RM4,810,340 is denominated in Chinese Renminbi.

The average effective interest rate per annum applicable on the outstanding borrowings as at 30 September 2023 is as follows:

Revolving credits	3.99 - 4.89%
Banker's acceptances	<u><u>3.90%</u></u>

23. MATERIAL LITIGATION

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

24. DIVIDEND

The Directors do not recommend any interim dividend for the current quarter and financial year-to-date ended 30 September 2023.

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 ordinary shares in issue during the period.

	Quarter ended 30.9.2023 RM'000	Year-to-date ended 30.9.2023 RM'000
Profit attributable to owners of the Company	16,965	36,273
Basic and diluted earnings per share		
	'000	'000
Number of shares (excluding treasury shares) in issue at beginning of the period	319,278	313,304
Weighted average number of shares (repurchased)/issued during the period	-	5,475
Shares repurchased and held as treasury shares (weighted average)	(351)	(351)
Weighted average number of ordinary shares for the purposes of basic EPS	318,927	318,428
Basic EPS (sen)	5.32	11.39
	'000	'000
Weighted average number of ordinary shares used in the calculation of basic EPS	318,927	318,428
Shares deemed to be issued for no consideration in respect of SGP	5,566	5,566
Weighted average number of ordinary shares used in the calculation of diluted EPS	324,493	323,994
Diluted EPS (sen)	5.23	11.20

	Restated Quarter ended 30.9.2022 RM'000	Restated Year-to-date ended 30.9.2022 RM'000
Profit attributable to owners of the Company	11,427	25,698
Basic and diluted earnings per share		
	'000	'000
Weighted average number of ordinary shares for the purposes of basic EPS	314,604	314,631
Basic EPS (sen)	3.63	8.17
	'000	'000
Weighted average number of ordinary shares used in the calculation of basic EPS	314,604	314,631
Shares deemed to be issued for no consideration in respect of SGP	9,210	9,210
Weighted average number of ordinary shares used in the calculation of diluted EPS	323,814	323,841
Diluted EPS (sen)	3.53	7.94

The basic EPS and diluted EPS have been computed on the basis that the bonus issue as stated in Note 21 had occurred at the beginning of the earliest period presented.

26. TRADE AND OTHER RECEIVABLES

	As at 30.9.2023 RM'000
Trade receivables	
- Non-related parties	26,635
Loss allowance	(560)
	<u>26,075</u>
- Related parties (trade)	75,888
	<u>101,963</u>
Other receivables	766
	<u><u>102,729</u></u>

The credit terms of trade receivables granted to non-related parties and related parties are the same, with credit period ranging from 7 - 120 days.

Analysis of risk profile of trade receivables as at 30 September 2023 is as follows:

No of days past due:	Non-related parties	Related parties
	RM'000	RM'000
Not past due	23,390	75,882
1 - 30 days	1,241	6
31 - 60 days	438	-
61 - 90 days	191	-
91 - 120 days	7	-
More than 120 days	808	-
	<u>26,075</u>	<u>75,888</u>

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 30.9.2023 RM'000	Year-to-date ended 30.9.2023 RM'000
<i>*Yee Lee Corporation Bhd Group of Companies ("YLCB")</i>		
Sales	54,000	157,137
Purchases	217	692
Rental of premise and land received	15	51
Others - payment for services	14	44
<i>YLTC Sdn Bhd</i>		
Sales	6,300	19,621
<i>Yee Lee Marketing Sdn Bhd</i>		
Sales	9,386	15,120
<i>Cactus Marketing Sdn Bhd</i>		
Sales	3,148	8,512
Rental of premise received	27	81
<i>Yee Lee Oils & Foodstuff (Singapore) Pte Ltd</i>		
Sales	1,201	3,676
<i>Cranberry International Sdn Bhd</i>		
Sales	1	9
Rental of premise received	17	51
<i>ASAP International Sdn Bhd</i>		
Rental of premise received	11	34
<i>Multibase Systems Sdn Bhd</i>		
Corporate secretarial fees paid	6	19
<i>Sabah Tea Garden Sdn Bhd</i>		
Sales	2	5
Purchases	42	86
Rental of premise received	4	37
<i>Yee Lee Organization Bhd</i>		
Rental of premise paid	15	45

*YLCB includes the following:

- Yee Lee Edible Oils Sdn Bhd
- Yee Lee Trading Co Sdn Bhd
- Yee Lee Marketing Sdn Bhd (ceased to be a member of YLCB with effect from 27 March 2023)
- Desa Tea Sdn Bhd
- YL Brands Sdn Bhd

28. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 30.9.2023 RM'000
Financial assets	
At fair value through other comprehensive income ("FVTOCI"):	
Investment in unquoted shares	2,577
At fair value through profit or loss ("FVTPL"):	
Investment in fixed income and money market funds	16,174
At amortised cost:	
Trade and other receivables	102,729
Fixed deposits, cash and bank balances	<u>34,465</u>

	As at 30.9.2023 RM'000
Financial liabilities	
At amortised cost:	
Trade and other payables	35,901
Lease liabilities	223
Borrowings	38,433
Accrued expenses	<u>36,166</u>

Fair values of financial instruments

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

Some of the Group financial assets are measured at fair value at the end of each reporting period. The following information is about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input used).

(a) Investment in unquoted shares

The fair value of investment in unquoted shares in Malaysia is included in Level 2 category of the fair value hierarchy in accordance with MFRS 7 and has been determined by reference to the latest subscription price paid for the shares in the unquoted investee.

(b) Investment in money market and fixed income funds

The fair values of investments in fixed income and money market funds are included in Level 1 category of the fair value hierarchy in accordance with MFRS 7 and have been determined by reference to quoted closing prices in an active market at the close of the business at the end of the reporting period.

There were no transfers between Level 1 and 2 during the current quarter and year-to-date ended 30 September 2023.

29. NET ASSET PER SHARE

The net asset per share attributable to owners of the Company for the comparative figure as at 31 December 2022 ("NA") of RM2.3626 has not been restated to incorporate the effect of the bonus issue during the period. If the effect of bonus issue is taken into account, the restated NA would have been RM1.5751.

30. 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 November 2023.