



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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Quarter ended			Year-to-date ended		
	31.3.2024 RM'000	31.3.2023 RM'000	Change	31.3.2024 RM'000	31.3.2023 RM'000	Change
Revenue	134,990	109,424	23%	134,990	109,424	23%
Other gains and losses	1,313	1,041	26%	1,313	1,041	26%
Cost of sales and other operating expenses	(117,725)	(100,694)	17%	(117,725)	(100,694)	17%
Finance costs	(598)	(230)	160%	(598)	(230)	160%
Share of results of an associated company	105	-	100%	105	-	100%
Profit before tax	<u>18,085</u>	<u>9,541</u>	90%	<u>18,085</u>	<u>9,541</u>	90%
Tax expense	(2,561)	(2,383)	7%	(2,561)	(2,383)	7%
Profit for the period	<u><u>15,524</u></u>	<u><u>7,158</u></u>	117%	<u><u>15,524</u></u>	<u><u>7,158</u></u>	117%
Profit attributable to owners of the Company	<u><u>15,524</u></u>	<u><u>7,158</u></u>	117%	<u><u>15,524</u></u>	<u><u>7,158</u></u>	117%
Earnings per share						
(a) Basic (sen)	<u><u>4.87</u></u>	<u><u>2.25</u></u>	116%	<u><u>4.87</u></u>	<u><u>2.25</u></u>	116%
(b) Diluted (sen)	<u><u>4.80</u></u>	<u><u>2.21</u></u>	117%	<u><u>4.80</u></u>	<u><u>2.21</u></u>	117%

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying notes to the Interim Financial Report.



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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	<u>Quarter ended</u>		<u>Year-to-date ended</u>	
	<u>31.3.2024</u>	<u>31.3.2023</u>	<u>31.3.2024</u>	<u>31.3.2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the period	15,524	7,158	15,524	7,158
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value loss on investment in equity instrument designated as at fair value through other comprehensive income ("FVTOCI")	-	(644)	-	(644)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign entities	<u>(126)</u>	<u>(100)</u>	<u>(126)</u>	<u>(100)</u>
Other comprehensive income for the period	<u>(126)</u>	<u>(744)</u>	<u>(126)</u>	<u>(744)</u>
Total comprehensive income for the period attributed to owners of the Company	<u><u>15,398</u></u>	<u><u>6,414</u></u>	<u><u>15,398</u></u>	<u><u>6,414</u></u>

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying notes to the Interim Financial Report.



SPRITZER BHD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	AS AT 31.3.2024 RM'000	AUDITED AS AT 31.12.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	496,309	473,406
Right-of-use assets	2,089	1,956
Investment properties	5,537	5,537
Investment in an associated company	2,422	2,317
Other investments	2,577	2,577
Goodwill on consolidation	40	40
Other intangible asset	221	222
Total non-current assets	509,195	486,055
Current assets		
Other investments	12,789	12,993
Inventories	38,497	41,445
Trade and other receivables	107,396	95,992
Current tax assets	4,058	3,864
Other assets	17,185	17,317
Fixed deposits, cash and bank balances	22,797	30,244
Total current assets	202,722	201,855
Total assets	711,917	687,910
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	224,399	223,239
Treasury shares	(20)	(4,956)
Other reserves	3,487	7,658
Retained earnings	315,454	301,090
Total equity	543,320	527,031
Non-current liabilities		
Lease liabilities	1,335	1,187
Borrowings	28,511	30,438
Deferred tax liabilities	30,672	29,756
Total non-current liabilities	60,518	61,381
Current liabilities		
Trade and other payables	44,756	41,450
Lease liabilities	515	558
Borrowings	25,558	17,286
Current tax liabilities	369	831
Other liabilities	36,881	39,373
Total current liabilities	108,079	99,498
Total liabilities	168,597	160,879
Total equity and liabilities	711,917	687,910
Net assets per share attributable to owners of the Company (RM)	1.7016	1.6663

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying notes to the Interim Financial Report.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	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	
As of 1 January 2024	223,239	(4,956)	7,269	775	(386)	301,090	527,031
Profit for the period	-	-	-	-	-	15,524	15,524
Other comprehensive loss for the period	-	-	-	-	(126)	-	(126)
Total comprehensive income for the period	-	-	-	-	(126)	15,524	15,398
Recognition of share-based payments	-	-	891	-	-	-	891
Employees share grant plan shares vested	1,160	4,936	(4,936)	-	-	(1,160)	-
As of 31 March 2024	224,399	(20)	3,224	775	(512)	315,454	543,320
As of 1 January 2023	216,571	(2,248)	12,903	1,419	(251)	265,086	493,480
Profit for the period	-	-	-	-	-	7,158	7,158
Other comprehensive loss for the period	-	-	-	(644)	(100)	-	(744)
Total comprehensive income for the period	-	-	-	(644)	(100)	7,158	6,414
Recognition of share-based payments	-	-	1,022	-	-	-	1,022
Employees share grant plan shares vested	6,668	2,233	(8,722)	-	-	(179)	-
As of 31 March 2023	223,239	(15)	5,203	775	(351)	272,065	500,916

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 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 2024

	Year-to-date ended	
	31.3.2024	31.3.2023
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit for the period	15,524	7,158
Adjustments for:		
Depreciation of property, plant and equipment	5,982	5,071
Tax expense recognised in profit or loss	2,561	2,383
Equity-settled share-based payments	891	1,022
Finance costs	598	230
Depreciation of right-of-use assets	136	65
Interest income	(92)	(92)
Investment revenue	(130)	(63)
Share of results of an associated company	(105)	-
Other non-cash items	(88)	(56)
	<u>25,277</u>	<u>15,718</u>
Movements in working capital		
Increase in current assets	(10,655)	(3,528)
Decrease in current liabilities	(458)	(11,333)
Cash generated from operations	<u>14,164</u>	<u>857</u>
Interest received	92	92
Income tax refunded	202	-
Income tax paid	(2,502)	(1,616)
Net cash from/(used in) from operating activities	<u>11,956</u>	<u>(667)</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of other investments	5,500	12,628
Proceeds from disposal of property, plant and equipment	60	2
Investment revenue received	28	25
Deposits paid for purchase of property, plant and equipment	(9,056)	(14,679)
Purchase of property, plant and equipment	(16,180)	(2,787)
Placement of other investments	(5,170)	(2,300)
Subscription of shares in an associated company	-	(2,252)
Purchase of investment properties	-	(157)
Net cash used in investing activities	<u>(24,818)</u>	<u>(9,520)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from borrowings - net	6,345	6,599
Finance cost paid	(598)	(230)
Repayment of lease liabilities	(164)	(112)
Net cash from financing activities	<u>5,583</u>	<u>6,257</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,279)	(3,930)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,244	21,691
Effect on exchange rate changes on balance of cash held in foreign currencies	(168)	(101)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>22,797</u>	<u>17,660</u>
Cash and cash equivalents at end of period comprise the following:		
Fixed deposits, cash and bank balances	<u>22,797</u>	<u>17,660</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying notes to the Interim Financial Report.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

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 2023.

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 2023 except for the adoption of new and amendments to MFRSs effective for annual periods beginning on or after 1 January 2024.

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 MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to MFRS 121	Lack of Exchangeability ¹

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

² 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 2023 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 31 March 2024.

6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in the estimates used in the current quarter and year-to-date ended 31 March 2024 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 2024.

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 2024, 3,010,800 units of the SGP shares are vested, and the Company has transferred 3,010,800 treasury shares to eligible employees and Executive Directors of the Group.

There were no new SGP shares granted and lapsed during the current quarter and year-to-date ended 31 March 2024. The SGP shares balance outstanding as at 31 March 2024 is 4,593,600.

There were no repayment of debt and share buy-backs during the current quarter and year-to-date ended 31 March 2024.

As at 31 March 2024, the total shares held as treasury shares stands at 12,000 with the value of RM19,674. The number of ordinary shares in issue after excluding the treasury shares is 319,302,145 and the corresponding paid up share capital is RM224,399,178.

8. DIVIDEND PAID

No dividend was paid during the current quarter and year-to-date ended 31 March 2024.

9. SEGMENTAL REPORTING

The analysis of the Group's business segments for the current quarter and year ended 31 March 2024 are as follows:

Quarter and Year-to-date ended 31 March 2024	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	129,453	5,141	396	-	134,990
Inter-segment sales	37,554	99	67	(37,720)	-
Total revenue	<u>167,007</u>	<u>5,240</u>	<u>463</u>	<u>(37,720)</u>	<u>134,990</u>
Results					
Segment results	<u>18,924</u>	<u>(104)</u>	<u>933</u>	<u>(1,305)</u>	<u>18,448</u>
Finance costs					(598)
Investment revenue					130
Share of results of an associated company					105
Profit before tax					<u>18,085</u>
Tax expense					<u>(2,561)</u>
Profit for the period					<u>15,524</u>
As at 31 March 2024					
Assets					
Segment assets	722,000	5,109	287,650	(309,322)	705,437
Investment in associated company					2,422
Unallocated segment assets					4,058
Consolidated total assets					<u>711,917</u>
Liabilities					
Segment liabilities	293,720	12,858	3,179	(172,201)	137,556
Unallocated segment liabilities					31,041
Consolidated total liabilities					<u>168,597</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 31.3.2024 RM'000	Year-to-date ended 31.3.2024 RM'000
Total purchase of property, plant and equipment	<u>28,928</u>	<u>28,928</u>
Purchased by cash	<u>16,180</u>	<u>16,180</u>

11. MATERIAL SUBSEQUENT EVENTS

There were no material event subsequent to the end of the current quarter and year-to-date ended 31 March 2024 and up to the date of this report.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter and year-to-date ended 31 March 2024.

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 2024 are as follows:

	<u>RM'000</u>
<i>Approved and contracted for</i>	
Land and buildings	1,347
Plant, machinery and equipment	26,451
Motor vehicles	1,090
	<u>28,888</u>
<i>Approved but not contracted for</i>	
Plant, machinery and equipment	18,229
	<u><u>47,117</u></u>

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

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

	Quarter ended 31.3.2024 RM'000	Year-to-date ended 31.3.2024 RM'000
Interest income	92	92
Gain on foreign exchange	225	225
Gain on disposal of property, plant and equipment	25	25
Investment revenue	130	130
Change in fair value of other investments	22	22
Gain on disposal of quoted/unquoted investments or properties	2	2
Depreciation of property, plant and equipment and right-of-use assets	(6,118)	(6,118)
Equity-settled share-based payments	(891)	(891)
Property, plant and equipment written off	(8)	(8)
Interest expense	(548)	(548)
Allowance for impairment loss and credit losses on receivables	(30)	(30)
Allowance for and write off of inventories	(49)	(49)
Amortisation of intangible asset	(1)	(1)
Gain on derivatives	3	3

16. REVIEW OF PERFORMANCE

Revenue

The revenue of the Group consists of the following:

	Quarter ended			Year-to-date ended		
	31.3.2024	31.3.2023	Change	31.3.2024	31.3.2023	Change
	RM'000	RM'000		RM'000	RM'000	
Sale of bottled water and other related products	128,029	102,422	25%	128,029	102,422	25%
Sale of plastic packaging materials	5,629	6,187	-9%	5,629	6,187	-9%
Sundry trading goods	936	575	63%	936	575	63%
Income from mini golf operation	396	240	65%	396	240	65%
Total revenue	<u>134,990</u>	<u>109,424</u>	23%	<u>134,990</u>	<u>109,424</u>	23%

Analysis of revenue by segment is as follows:

	Quarter ended			Year-to-date ended		
	31.3.2024	31.3.2023	Change	31.3.2024	31.3.2023	Change
	RM'000	RM'000		RM'000	RM'000	
Manufacturing	129,453	104,531	24%	129,453	104,531	24%
Trading	5,141	4,653	10%	5,141	4,653	10%
Others	396	240	65%	396	240	65%
Total revenue	<u>134,990</u>	<u>109,424</u>	23%	<u>134,990</u>	<u>109,424</u>	23%

The Group recorded a revenue of RM135.0 million during the current quarter and year-to-date ended 31 March 2024 representing a 23% increase from the RM109.4 million recorded in the same quarter in the previous year. The Group's current quarter revenue from manufacturing segment of RM129.5 million is a 24% increase from the RM104.5 million revenue derived in the same quarter in the previous year. Current quarter revenue from trading segment, increased 10% from RM4.7 million to RM5.1 million compared to the same quarter in the previous year.

The increase in the Group's sales revenue in the current quarter and year-to-date ended 31 March 2024 is due to the increase in sales volume and average selling prices for bottled water from the manufacturing segment. Trading segment current quarter revenue increased mainly due to higher sales volume.

Other gains and losses

Included in other gains and losses are the following:

	Quarter ended		Change	Year-to-date ended		Change
	31.3.2024 RM'000	31.3.2023 RM'000		31.3.2024 RM'000	31.3.2023 RM'000	
Income from sale of fresh fruit bunches ("FFB")	562	563	0%	562	563	0%
(Allowance for)/Reversal of and write off of inventories	(49)	84	-158%	(49)	84	-158%
Impairment loss on receivables and credit losses ("loss allowance") - net	(30)	(14)	114%	(30)	(14)	114%
Gain on foreign exchange	225	4	*NM	225	4	*NM
Property, plant and equipment written off	(8)	(75)	-89%	(8)	(75)	-89%

*NM - Not Meaningful

Income from sale of FFB for the current quarter and year-to-date ended 31 March 2024 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.

(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 property, plant and equipment written off for the current quarter and the year ended 31 March 2024 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
	31.3.2024 RM'000	31.3.2023 RM'000		31.3.2024 RM'000	31.3.2023 RM'000	
Cost of sales	72,226	65,989	9%	72,226	65,989	9%
Other operating expenses	45,499	34,705	31%	45,499	34,705	31%
	117,725	100,694	17%	117,725	100,694	17%

The increase in cost of sales of 9% in the current quarter and year-to-date ended 31 March 2024 compared to the same quarter in the previous year is in line with the increase in sales. Other operating expenses increased 31% in the current quarter ended 31 March 2024 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.

Profit before tax and segment results

Analysis of results by segment is as follows:

	Quarter ended		Change	Year-to-date ended		Change
	31.3.2024 RM'000	31.3.2023 RM'000		31.3.2024 RM'000	31.3.2023 RM'000	
Manufacturing	18,924	10,592	79%	18,924	10,592	79%
Trading	(104)	(832)	-88%	(104)	(832)	-88%
Others	933	853	9%	933	853	9%
Eliminations	(1,305)	(905)	44%	(1,305)	(905)	44%
Segment results	18,448	9,708	90%	18,448	9,708	90%
Profit before tax	18,085	9,541	90%	18,085	9,541	90%

The Group's manufacturing segment results of RM18.9 million in the current quarter and year-to-date ended 31 March 2024 represents an increase of 79% from the RM10.6 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 trading segment loss decreased 88% to RM0.1 million loss during the current quarter and year-to-date ended 31 March 2024 from the RM0.8 million loss recorded in the same quarter in the previous year mainly due to higher sales and lower operating expenses.

The Group recorded a profit before tax of RM18.1 million during the current quarter and year-to-date ended 31 March 2024, representing a 90% increase from the RM9.5 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.

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

	Quarter ended		Change
	31.3.2024 RM'000	31.12.2023 RM'000	
Revenue	134,990	125,006	8%
Profit before tax	18,085	17,318	4%

The Group recorded a revenue of RM135.0 million during the current quarter ended 31 March 2024, representing an increase of 8% from the RM125.0 million recorded in the immediate preceding quarter ended 31 December 2023 due to increase in sales volume.

The Group's profit before tax has increased 4% in the current quarter ended 31 March 2024 to RM18.1 million from RM17.3 million in the immediate preceding quarter ended 31 December 2023 mainly due to increase in bottled water sales volume and the reduction in cost of raw materials.

18. FUTURE PROSPECTS

The Malaysian economy grew by 4.2% in first quarter 2024. The growth was supported by higher household spending, improved exports, higher tourist arrivals, improvement in the labour market conditions and stronger investment activities. However, our revenue recorded a much higher growth rate of 23% in the first quarter of 2024. 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 effective branding and marketing investment over the years has contributed to our strong sales performance in the current quarter.

The Malaysian economic outlook for 2024 is likely to remain volatile amid a soft external demand, volatile foreign exchange rates, geopolitical uncertainties and inflationary pressure following the planned subsidy cuts and higher tax burden. 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 in our core brands and further automate and enhance our production processes and capacities. Our installation and commissioning of two additional production lines in the first quarter of 2024 has certainly put us in a good position to support the current robust demand for bottled water products. We will also 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 encouraged by the higher sales of Spritzer Sparkling following our recent introduction of the new Sparkling Lemon product. Our Spritzer Icon mineral water has also been well received by the on-trade or HORECA (hotel, restaurant, café) channel, giving Spritzer another good growth channel. We will continue to identify new market opportunities.

The directors are optimistic that the Group will be able to further strengthen its market leadership position in the bottled water industry and sustain its commendable performance in the financial year ending 31 December 2024.

19. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT

Not applicable.

20. TAX EXPENSE

	Quarter ended	Year-to-date ended
	31.3.2024 RM'000	31.3.2024 RM'000
Income tax		
- current period	1,644	1,644
Deferred tax		
- current period	387	387
- prior year	529	529
	2,560	2,560

The effective tax rate for the current quarter and year-to-date ended 31 March 2024 is lower than the statutory income tax rate of 24% mainly due to claiming of and utilisation of reinvestment allowances ("RA") and the recognition of deferred tax assets on unutilised RA on plant and machinery.

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 2024 are as follows:

	RM'000
<i>Current portion (repayable in the next 12 months)</i>	
Unsecured	
- Revolving credits	13,800
- Banker's acceptances	6,980
- Multi-currency trade loan	681
Secured	
- Revolving credit	4,097
	<u>25,558</u>
<i>Non-current portion (repayment after next 12 months)</i>	
Unsecured	
- Revolving credits	28,511
	<u>54,069</u>

The secured revolving credit loan of RM4,097,234 is denominated in Chinese Renminbi.

The non-current portion of the revolving credit is repayable between one to five years.

The average effective interest rate per annum applicable on the outstanding borrowings as at 31 March 2024 is as follows:

Revolving credits	3.91 - 4.89%
Banker's acceptances	3.68 - 3.77%
Multi currency trade loan	<u>4.19%</u>

23. MATERIAL LITIGATION

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

24. DIVIDEND

On 28 February 2024, the Directors have proposed and declared a first and final dividend of 5.50 sen per ordinary share, under the single tier system, in respect of the previous financial year ended 31 December 2023. This proposed dividend of 5.50 sen is 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 financial year ended 31 December 2022. The dividend will be paid on 21 June 2024 and has not been included as a liability in the interim 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 ordinary shares in issue during the period.

	Quarter ended 31.3.2024 RM'000	Year-to-date ended 31.3.2024 RM'000
Profit attributable to owners of the Company	15,524	15,524
Basic and diluted earnings per share	'000	'000
Number of shares (excluding treasury shares) in issue at beginning of the period	316,291	316,291
Weighted average number of shares issued during the period	2,760	2,760
Weighted average number of ordinary shares for the purposes of basic EPS	<u>319,051</u>	<u>319,051</u>
Basic EPS (sen)	4.87	4.87
	'000	'000
Weighted average number of ordinary shares used in the calculation of basic EPS	319,051	319,051
Shares deemed to be issued for no consideration in respect of SGP	4,594	4,594
Weighted average number of ordinary shares used in the calculation of diluted EPS	<u>323,645</u>	<u>323,645</u>
Diluted EPS (sen)	4.80	4.80

	Restated # Quarter ended 31.3.2023 RM'000	Restated # Year-to-date ended 31.3.2023 RM'000
Profit attributable to owners of the Company	7,158	7,158
Basic and diluted earnings per share	'000	'000
Number of shares (excluding treasury shares) in issue at beginning of the period	313,304	313,304
Weighted average number of shares issued during the period	5,475	5,475
Weighted average number of ordinary shares for the purposes of basic EPS	318,779	318,779
Basic EPS (sen)	2.25	2.25
Weighted average number of ordinary shares used in the calculation of basic EPS	318,779	318,779
Shares deemed to be issued for no consideration in respect of SGP	5,597	5,597
Weighted average number of ordinary shares used in the calculation of diluted EPS	324,376	324,376
Diluted EPS (sen)	2.21	2.21

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.

26. TRADE AND OTHER RECEIVABLES

	As at 31.3.2024 RM'000
Trade receivables	
- Non-related parties	28,397
Loss allowance	(948)
	27,449
- Related parties (trade)	77,436
	104,885
Other receivables	2,511
	107,396

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 31 March 2024 is as follows:

	Non-related parties RM'000	Related parties RM'000
No of days past due:		
Not past due	26,422	77,387
1 - 30 days	725	49
31 - 60 days	40	-
61 - 90 days	148	-
91 - 120 days	19	-
More than 120 days	95	-
	27,449	77,436

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 31.3.2024 RM'000	Year-to-date ended 31.3.2024 RM'000
<i>*Yee Lee Corporation Bhd Group of Companies ("YLCB")</i>		
Sales	58,010	58,010
Purchases	183	183
Rental of land received	15	15
Others - payment for services	7	7
<i>YLTC Sdn Bhd</i>		
Sales	6,694	6,694
<i>Yee Lee Marketing Sdn Bhd</i>		
Sales	6,606	6,606
<i>Cactus Marketing Sdn Bhd</i>		
Sales	2,508	2,508
Rental of premise received	27	27
<i>Yee Lee Oils & Foodstuff (Singapore) Pte Ltd</i>		
Sales	1,361	1,361
<i>Cranberry International Sdn Bhd</i>		
Sales	8	8
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	9	9
<i>Sabah Tea Garden Sdn Bhd</i>		
Sales	1	1
Purchases	44	44
Rental of premise received	43	43
<i>Yee Lee Organization Bhd</i>		
Rental of premise paid	15	15

**YLCB includes the following:*

- Yee Lee Edible Oils Sdn Bhd
- Yee Lee Trading Co Sdn Bhd
- Desa Tea Sdn Bhd
- YL Brands Sdn Bhd

28. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 31.3.2024 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 money market and fixed income funds	12,789
At amortised cost:	
Trade and other receivables	107,396
Fixed deposits, cash and bank balances	22,797

Financial liabilities

At amortised cost:	
Trade and other payables	38,951
Lease liabilities	1,850
Borrowings	54,069
Accrued expenses	36,518
	131,388

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 31 March 2024.

29. 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 30 May 2024.