



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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

| | Quarter ended | | | Year-to-date ended | | |
|---|----------------------|----------------------|--------|----------------------|----------------------|--------|
| | 30.9.2024 RM'000 | 30.9.2023 RM'000 | Change | 30.9.2024 RM'000 | 30.9.2023 RM'000 | Change |
| Revenue | 145,971 | 132,558 | 10% | 427,526 | 365,669 | 17% |
| Other gains and losses | (2,446) | 620 | -495% | (291) | 3,188 | -109% |
| Cost of sales and other operating expenses | (123,140) | (109,775) | 12% | (365,689) | (319,203) | 15% |
| Finance costs | (698) | (532) | 31% | (1,920) | (1,113) | 73% |
| Share of results of an associated company | (49) | (26) | 88% | (22) | 65 | -134% |
| Profit before tax | <u>19,638</u> | <u>22,845</u> | -14% | <u>59,604</u> | <u>48,606</u> | 23% |
| Tax expense | (2,518) | (5,880) | -57% | (7,203) | (12,333) | -42% |
| Profit for the period | <u><u>17,120</u></u> | <u><u>16,965</u></u> | 1% | <u><u>52,401</u></u> | <u><u>36,273</u></u> | 44% |
| Profit attributable to owners of the Company | <u><u>17,120</u></u> | <u><u>16,965</u></u> | 1% | <u><u>52,401</u></u> | <u><u>36,273</u></u> | 44% |
| Earnings per share | | | | | | |
| (a) Basic (sen) | <u><u>5.37</u></u> | <u><u>5.32</u></u> | 1% | <u><u>16.44</u></u> | <u><u>11.39</u></u> | 44% |
| (b) Diluted (sen) | <u><u>5.29</u></u> | <u><u>5.23</u></u> | 1% | <u><u>16.21</u></u> | <u><u>11.20</u></u> | 45% |

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.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

| | Quarter ended | | Year-to-date ended | |
|--|---------------|-----------|--------------------|-----------|
| | 30.9.2024 | 30.9.2023 | 30.9.2024 | 30.9.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 17,120 | 16,965 | 52,401 | 36,273 |
| 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) |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | |
| Exchange differences on translating foreign entities | 992 | (14) | 929 | (99) |
| Other comprehensive income/(loss) for the period | 992 | (14) | 929 | (743) |
| Total comprehensive income for the period attributed to owners of the Company | 18,112 | 16,951 | 53,330 | 35,530 |

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.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2024**

| | AS AT 30.9.2024 RM'000 | AUDITED AS AT 31.12.2023 RM'000 |
|---|---------------------------------------|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 522,569 | 473,406 |
| Right-of-use assets | 1,816 | 1,956 |
| Investment properties | 5,537 | 5,537 |
| Investment in an associated company | 2,295 | 2,317 |
| Other investments | 2,577 | 2,577 |
| Goodwill on consolidation | 40 | 40 |
| Other intangible asset | 219 | 222 |
| Deferred tax asset | 85 | - |
| Total non-current assets | <u>535,138</u> | <u>486,055</u> |
| Current assets | | |
| Other investments | 8,002 | 12,993 |
| Inventories | 45,024 | 41,445 |
| Trade and other receivables | 112,910 | 95,992 |
| Current tax assets | 5,877 | 3,864 |
| Other assets | 20,011 | 17,317 |
| Fixed deposits, cash and bank balances | 21,996 | 30,244 |
| Total current assets | <u>213,820</u> | <u>201,855</u> |
| Total assets | <u><u>748,958</u></u> | <u><u>687,910</u></u> |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Share capital | 224,399 | 223,239 |
| Treasury shares | (2,376) | (4,956) |
| Other reserves | 6,164 | 7,658 |
| Retained earnings | 334,769 | 301,090 |
| Total equity | <u>562,956</u> | <u>527,031</u> |
| Non-current liabilities | | |
| Lease liabilities | 1,305 | 1,187 |
| Borrowings | 27,374 | 30,438 |
| Deferred tax liabilities | 31,660 | 29,756 |
| Total non-current liabilities | <u>60,339</u> | <u>61,381</u> |
| Current liabilities | | |
| Trade and other payables | 47,061 | 41,450 |
| Lease liabilities | 208 | 558 |
| Borrowings | 22,130 | 17,286 |
| Current tax liabilities | 1,097 | 831 |
| Other liabilities | 55,167 | 39,373 |
| Total current liabilities | <u>125,663</u> | <u>99,498</u> |
| Total liabilities | <u>186,002</u> | <u>160,879</u> |
| Total equity and liabilities | <u><u>748,958</u></u> | <u><u>687,910</u></u> |
| Net assets per share attributable to owners of the Company (RM) | <u>1.7682</u> | <u>1.6663</u> |

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 30 SEPTEMBER 2024**

| | <i>Non-distributable Reserves</i> | | | | | <i>Distributable Reserve</i> | Total Equity RM'000 |
|---|-----------------------------------|-----------------------------------|--|--|---|---|--------------------------------|
| | Share Capital RM'000 | Treasury Shares RM'000 | Equity-settled Employee Benefits Reserve RM'000 | Investment Revaluation Reserve RM'000 | Translation Reserve RM'000 | 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 | - | - | - | - | - | 52,401 | 52,401 |
| Other comprehensive period for the period | - | - | - | - | 929 | - | 929 |
| Total comprehensive income for the period | - | - | - | - | 929 | 52,401 | 53,330 |
| Recognition of share-based payments | - | - | 2,513 | - | - | - | 2,513 |
| Payment of dividend | - | - | - | - | - | (17,562) | (17,562) |
| Own shares acquired during the period | - | (2,356) | - | - | - | - | (2,356) |
| Employees share grant plan shares vested | 1,160 | 4,936 | (4,936) | - | - | (1,160) | - |
| As of 30 September 2024 | 224,399 | (2,376) | 4,846 | 775 | 543 | 334,769 | 562,956 |
| 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) | - |
| As of 30 September 2023 | 223,239 | (1,799) | 6,582 | 775 | (350) | 287,877 | 516,324 |

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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

| | Year-to-date ended | |
|---|--------------------|-----------|
| | 30.9.2024 | 30.9.2023 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES | | |
| Profit for the period | 52,401 | 36,273 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 22,564 | 15,833 |
| Tax expense recognised in profit or loss | 7,203 | 12,333 |
| Equity-settled share-based payments | 2,513 | 2,401 |
| Finance costs | 1,920 | 1,113 |
| Depreciation of right-of-use assets | 409 | 159 |
| Interest income | (315) | (347) |
| Investment revenue | (317) | (268) |
| Share of results of an associated company | 22 | (65) |
| Other non-cash items | 3,548 | 312 |
| | 89,948 | 67,744 |
| Movements in working capital | | |
| Increase in current assets | (23,639) | (20,895) |
| Increase in current liabilities | 17,653 | 5,482 |
| Cash generated from operations | 83,962 | 52,331 |
| Interest received | 315 | 347 |
| Income tax refunded | 202 | 1,986 |
| Income tax paid | (7,333) | (4,923) |
| Net cash from operating activities | 77,146 | 49,741 |
| CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES | | |
| Proceeds from disposal of other investments | 12,700 | 30,541 |
| Proceeds from disposal of property, plant and equipment | 321 | 411 |
| Investment revenue received | 85 | 76 |
| Deposits paid for purchase of property, plant and equipment | (13,634) | (16,685) |
| Purchase of property, plant and equipment | (57,728) | (29,492) |
| Placement of other investments | (7,420) | (25,250) |
| Subscription of shares in an associated company | - | (2,252) |
| Purchase of investment properties | - | (157) |
| Net cash used in investing activities | (65,676) | (42,808) |
| CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES | | |
| Proceeds from borrowings - net | 1,780 | 22,338 |
| Dividend paid | (17,562) | (13,303) |
| Purchase of own shares | (2,356) | (1,784) |
| Finance cost paid | (1,920) | (1,113) |
| Repayment of lease liabilities | (501) | (232) |
| Net cash (used in)/from financing activities | (20,559) | 5,906 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (9,089) | 12,839 |
| 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 | 841 | (65) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 21,996 | 34,465 |
| Cash and cash equivalents at end of period comprise the following: | | |
| Fixed deposits, cash and bank balances | 21,996 | 34,465 |

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 30 SEPTEMBER 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 ⁴ |
| Amendments to MFRS 121 | Lack of Exchangeability ¹ |
| Amendments to MFRS 9 and MFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ² |
| MFRS 18 | Presentation and Disclosure in Financial Statements ³ |
| MFRS 19 | Subsidiaries without Public Accountability: Disclosures ³ |
| Amendments that are part of Annual Improvements - Vol 11: | |
| - Amendments to MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards ² |
| - Amendments to MFRS 7 | Financial Instruments: Disclosures ² |
| - Amendments to MFRS 9 | Financial Instruments ² |
| - Amendments to MFRS 10 | Consolidated Financial Statements ² |
| - Amendments to MFRS 107 | Statement of Cash Flows ² |

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

² Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

⁴ 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 30 September 2024.

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 2024 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 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 ended 30 September 2024, none of the SGP shares were vested. During the year-to-date ended 30 September 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 30 September 2024. The SGP shares balance outstanding as at 30 September 2024 is 4,593,600.

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

| | Quarter ended 30.9.2024 | | Year-to-date ended 30.9.2024 | |
|-----------------------------|----------------------------|--------|---------------------------------|--------|
| | No of shares | RM'000 | No of shares | RM'000 |
| Ordinary shares repurchased | 933,000 | 2,356 | 933,000 | 2,356 |

As at 30 September 2024 the total shares held as treasury shares stands at 945,000 with the value of RM2,376,357 and the number of ordinary shares in issue after excluding the treasury shares is 318,369,145 and the corresponding paid up share capital is RM222,022,821. None of the treasury shares were resold or cancelled during the current quarter and year-to-date ended 30 September 2024.

There were no issuance, no repayment of debt and equity securities during the current quarter and year ended 30 September 2024.

8. DIVIDEND PAID

On 21 June 2024 the Company paid a first and final dividend of 5.5 sen per share, under the single-tier system, amounting to RM17,561,615 in respect of the previous financial year ended 31 December 2023.

9. SEGMENTAL REPORTING

The analysis of the Group's business segments for the current quarter and year-to-date ended 30 September 2024 are as

| Quarter ended 30 September 2024 | Manufacturing RM'000 | Trading RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|-------------------------|-------------------|------------------|------------------------|------------------------|
| Revenue | | | | | |
| External sales | 139,429 | 6,143 | 399 | - | 145,971 |
| Inter-segment sales | 41,941 | 97 | 23 | (42,061) | - |
| Total revenue | 181,370 | 6,240 | 422 | (42,061) | 145,971 |
| Results | | | | | |
| Segment results | 19,551 | (307) | 1,147 | (76) | 20,315 |
| Finance costs | | | | | (698) |
| Investment revenue | | | | | 70 |
| Share of results of an associated company | | | | | (49) |
| Profit before tax | | | | | 19,638 |
| Tax expense | | | | | (2,518) |
| Profit for the period | | | | | 17,120 |
| Year-to-date ended 30 September 2024 | | | | | |
| Revenue | | | | | |
| External sales | 408,870 | 17,503 | 1,153 | - | 427,526 |
| Inter-segment sales | 118,846 | 294 | 8,413 | (127,553) | - |
| Total revenue | 527,716 | 17,797 | 9,566 | (127,553) | 427,526 |
| Results | | | | | |
| Segment results | 60,477 | (571) | 11,286 | (9,963) | 61,229 |
| Finance costs | | | | | (1,920) |
| Investment revenue | | | | | 317 |
| Share of results of an associated company | | | | | (22) |
| Profit before tax | | | | | 59,604 |
| Tax expense | | | | | (7,203) |
| Profit for the period | | | | | 52,401 |

| As at 30 September 2024 | Manufacturing RM'000 | Trading RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|-------------------------------------|---------------------------------|---------------------------|--------------------------|--------------------------------|--------------------------------|
| Assets | | | | | |
| Segment assets | 755,823 | 6,741 | 279,445 | (301,308) | 740,701 |
| Investment in an associated company | | | | | 2,295 |
| Unallocated segment assets | | | | | 5,962 |
| Consolidated total assets | | | | | <u>748,958</u> |
| Liabilities | | | | | |
| Segment liabilities | 301,790 | 14,173 | 3,295 | (166,013) | 153,245 |
| Unallocated segment liabilities | | | | | 32,757 |
| Consolidated total liabilities | | | | | <u>186,002</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 30.9.2024 RM'000 | Year-to-date ended 30.9.2024 RM'000 |
|---|---|--|
| Total purchase of property, plant and equipment | 36,303 | 74,303 |
| Purchased by cash | 19,728 | 57,728 |

11. MATERIAL SUBSEQUENT EVENTS

Material event subsequent to the end of the current quarter and year-to-date ended 30 September 2024 and up to the date of this report is as follows:

Proposed bonus issue

Subsequent to 30 September 2024, the Board proposed a bonus issue on the basis of 1 bonus share for every 1 existing Spritzer share held, the proposal is elaborated further in Note 21 to the interim financial statements.

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 30 September 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 30 September 2024 are as follows:

| | RM'000 |
|------------------------------------|---------------|
| <i>Approved and contracted for</i> | |
| Land and buildings | 1,385 |
| Plant, machinery and equipment | 19,704 |
| Motor vehicles | 1,425 |
| | <u>22,514</u> |

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

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

| | Quarter ended 30.9.2024 RM'000 | Year-to-date ended 30.9.2024 RM'000 |
|---|---|--|
| Interest income | 110 | 315 |
| Loss on foreign exchange | (1,402) | (1,104) |
| Gain on disposal of property, plant and equipment | 176 | 216 |
| Investment revenue | 70 | 317 |
| Change in fair value of other investments | 20 | 55 |
| Gain on disposal of quoted/unquoted investments or properties | - | 2 |
| Depreciation of property, plant and equipment and right-of-use assets | (9,809) | (22,973) |
| Equity-settled share-based payments | (970) | (2,513) |
| Property, plant and equipment written off | (2,258) | (2,468) |
| Interest expense | (563) | (1,659) |
| Allowance for impairment loss and credit losses on receivables | (15) | (53) |
| Allowance for and write off of inventories | (264) | (748) |
| Amortisation of intangible asset | (1) | (3) |

16. REVIEW OF PERFORMANCE

Revenue

The revenue of the Group consists of the following:

| | Quarter ended | | Change | Year-to-date ended | | Change |
|--|---------------------|---------------------|--------|---------------------|---------------------|--------|
| | 30.9.2024 RM'000 | 30.9.2023 RM'000 | | 30.9.2024 RM'000 | 30.9.2023 RM'000 | |
| Sale of bottled water and other related products | 138,579 | 126,892 | 9% | 406,595 | 346,285 | 17% |
| Sale of plastic packaging materials | 5,633 | 4,282 | 32% | 16,142 | 15,852 | 2% |
| Sale of sundry trading goods | 1,360 | 1,079 | 26% | 3,636 | 2,721 | 34% |
| Income from mini golf operation | 399 | 305 | 31% | 1,153 | 811 | 42% |
| Total revenue | <u>145,971</u> | <u>132,558</u> | 10% | <u>427,526</u> | <u>365,669</u> | 17% |

Analysis of revenue by segment is as follows:

| | Quarter ended | | Change | Year-to-date ended | | Change |
|---------------|---------------------|---------------------|--------|---------------------|---------------------|--------|
| | 30.9.2024 RM'000 | 30.9.2023 RM'000 | | 30.9.2024 RM'000 | 30.9.2023 RM'000 | |
| Manufacturing | 139,429 | 127,091 | 10% | 408,870 | 349,172 | 17% |
| Trading | 6,143 | 5,162 | 19% | 17,503 | 15,686 | 12% |
| Others | 399 | 305 | 31% | 1,153 | 811 | 42% |
| Total revenue | <u>145,971</u> | <u>132,558</u> | 10% | <u>427,526</u> | <u>365,669</u> | 17% |

The Group recorded a revenue of RM146.0 million during the current quarter ended 30 September 2024 representing a 10% increase from the RM132.6 million recorded in the same quarter in the previous year. The Group's current quarter revenue from manufacturing segment of RM139.4 million is a 10% increase from the RM127.1 million revenue derived in the same quarter in the previous year. Current quarter revenue from trading segment increased 19% from RM5.2 million to RM6.1 million compared to the same quarter in the previous year.

The Group recorded a revenue of RM427.5 million in the year-to-date ended 30 September 2024, which is a 17% increase from the RM365.7 million recorded in the same period in the previous year. The Group's year-to-date revenue from manufacturing segment of RM408.9 million represents an increase of 17% from RM349.2 million in the same period in the previous year. Revenue from trading segment increased 12% from RM15.7 million to RM17.5 million in the year-to-date ended 30 September 2024.

The increase in the Group's sales revenue in the current quarter and year-to-date ended 30 September 2024 is due to the increase in sales volume of bottled water from the manufacturing segment. Trading segment current quarter and year-to-date revenue increased mainly due to higher sales volume.

Other gains and losses

Included in other gains and losses are the following:

| | Quarter ended | | | Year-to-date ended | | |
|---|---------------------|---------------------|--------|---------------------|---------------------|--------|
| | 30.9.2024 RM'000 | 30.9.2023 RM'000 | Change | 30.9.2024 RM'000 | 30.9.2023 RM'000 | Change |
| Income from sale of fresh fruit bunches ("FFB") | 761 | 479 | 59% | 1,744 | 1,347 | 29% |
| Insurance proceeds from flood damage | - | 717 | -100% | - | 717 | -100% |
| (Allowance for)/Reversal of and write off of inventories - net | (264) | 53 | -598% | (748) | (83) | 801% |
| Impairment loss on receivables and credit losses ("loss allowance") - net | (15) | (488) | -97% | (53) | (502) | -89% |
| (Loss)/Gain on foreign exchange | (1,402) | (146) | 860% | (1,104) | 316 | -449% |
| Property, plant and equipment written off | <u>(2,258)</u> | <u>(60)</u> | 3663% | <u>(2,468)</u> | <u>(266)</u> | 828% |

Income from sale of FFB for the current quarter and year-to-date ended 30 September 2024 consist of proceeds from sale of oil palm fresh fruit bunches net of direct estate operating cost. The increase during the current quarter and year-to-date ended 30 September 2024 is due to increase in average price per ton which is in line with the increase in crude palm oil (CPO) prices.

The insurance proceeds received during the preceding year same quarter and year-to-date ended 30 September 2023 was 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 proceeds was used to pay the repair costs to make good of the said machine.

The increase in allowance for and write off of inventories in the current quarter and year-to-date ended 30 September 2024 is mainly due to routine writing off of inventories that are slow moving and obsolete which is in line with the increase in sales.

(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.

There is a reversal of loss allowance in the current quarter and year-to-date ended 30 September 2024 due to a decrease in estimated credit loss anticipated on trade receivables. The higher expected credit loss in the same quarter in the preceding year was due to a trade debt which became doubtful during the said quarter.

The property, plant and equipment written off for the current quarter and the year ended 30 September 2024 were attributed to routine writing off of obsolete plant and equipment. During the current quarter ended 30 September 2024, specific plant and machinery were written off as they were replaced and became obsolete as part of the Group's expansion program, rendering them no longer operational.

Cost of sales and other operating expenses and finance costs

| | Quarter ended | | | Year-to-date ended | | |
|----------------------------|---------------------|---------------------|--------|---------------------|---------------------|--------|
| | 30.9.2024 RM'000 | 30.9.2023 RM'000 | Change | 30.9.2024 RM'000 | 30.9.2023 RM'000 | Change |
| Cost of sales | 79,838 | 71,313 | 12% | 229,591 | 207,803 | 10% |
| Other operating expenses | 43,302 | 38,462 | 13% | 136,098 | 111,400 | 22% |
| | <u>123,140</u> | <u>109,775</u> | 12% | <u>365,689</u> | <u>319,203</u> | 15% |
| Included in finance costs: | | | | | | |
| Interest expense | <u>563</u> | <u>382</u> | 47% | <u>1,659</u> | <u>894</u> | 86% |

The increase in cost of sales of 12% in the current quarter ended 30 September 2024 compared to the same quarter in the previous year is in line with the increase in sales. Other operating expenses increased 13% in the current quarter ended 30 September 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.

The increase in cost of sales of 10% and the increase in other operating expenses of 22% in year-to-date ended 30 September 2024 compared to the same period in the previous year is due to the same reasons as explained in the preceding paragraph.

The increase in interest expense of 47% and 86% in the current quarter and in year-to-date ended 30 September 2024 respectively, compared to the same period in the previous year is due to increased utilisation of bank borrowings to fund capital expenditure for expansion purposes.

Profit before tax and segment results

Analysis of results by segment is as follows:

| | Quarter ended | | Change | Year-to-date ended | | Change |
|-------------------|---------------|---------------|--------|--------------------|---------------|--------|
| | 30.9.2024 | 30.9.2023 | | 30.9.2024 | 30.9.2023 | |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Manufacturing | 19,551 | 23,688 | -17% | 60,477 | 50,967 | 19% |
| Trading | (307) | (276) | 11% | (571) | (1,779) | -68% |
| Others | 1,147 | 723 | 59% | 11,286 | 6,328 | 78% |
| Eliminations | (76) | (869) | -91% | (9,963) | (6,130) | 63% |
| Segment results | <u>20,315</u> | <u>23,266</u> | -13% | <u>61,229</u> | <u>49,386</u> | 24% |
| Profit before tax | <u>19,638</u> | <u>22,845</u> | -14% | <u>59,604</u> | <u>48,606</u> | 23% |

The Group's manufacturing segment recorded results of RM19.6 million for the current quarter ended 30 September 2024, reflecting a 17% decrease compared to RM23.7 million in the same quarter of the previous year primarily due to property, plant and equipment write off. However, for the year-to-date ended 30 September 2024, the segment reported results of RM60.5 million, marking a 19% increase from RM51.0 million in the corresponding period last year, driven by higher sales volumes and reduced production costs resulting from economies of scale achieved through the installation of new production lines.

The Group's trading segment reported a loss of RM0.31 million for the current quarter ended 30 September 2024, an 11% increase from the RM0.28 million loss recorded in the same quarter of the previous year, primarily due to higher operating expenses. For the year-to-date ended 30 September 2024, the trading segment's loss decreased significantly by 68% to RM0.6 million, compared to a loss of RM1.8 million in the corresponding period last year, mainly driven by higher sales and reduced operating expenses.

The Group reported a profit before tax of RM19.6 million for the current quarter ended 30 September 2024, a 14% decline from RM22.8 million in the same quarter of the previous year, primarily due to higher other losses driven by the write-off of property, plant, and equipment. However, for the year-to-date ended 30 September 2024, profit before tax rose by 23% to RM59.6 million, compared to RM48.6 million in the same period last year, mainly attributed to increased sales revenue driven by higher bottled

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

| | Quarter ended | | Change |
|-------------------|---------------|---------------|--------|
| | 30.9.2024 | 30.06.2024 | |
| | RM'000 | RM'000 | |
| Revenue | 145,971 | 146,565 | 0% |
| Profit before tax | <u>19,638</u> | <u>21,881</u> | -10% |

The Group recorded a revenue of RM146.0 million during the current quarter ended 30 September 2024, approximates the RM146.6 million recorded in the immediate preceding quarter ended 30 June 2024.

The Group's profit before tax has decreased 10% in the current quarter ended 30 September 2024 to RM19.6 million from RM21.9 million in the immediate preceding quarter ended 30 June 2024 mainly due to increase in other losses.

18. FUTURE PROSPECTS

The Malaysian economy grew by 5.3% in the third quarter of 2024, building on the 5.1% growth recorded in the first half of the year. This performance was supporting by expansion in investment, household spending and robust tourism activities. For the first nine months of the year, Malaysia's economy has risen by 5.2%.

Our company's revenue reflected this economic strength, achieving an encouraging 17% growth in the first nine months of 2024. The sales of our bottled water products remained robust throughout the first nine months of the year, fueled by strong demand, a surge in travel and tourism activities, and the persistently hot weather conditions. Additionally, our strategic branding and marketing investments have significantly bolstered our sales performance.

Looking ahead to the upcoming final quarter of 2024, the Malaysian economic outlook appears favourable, with continued support from domestic demand as the key growth driver and with the implementation of salary adjustment for civil servant in December 2024 is likely to encourage consumer spending. However, we remain cautious and committed to enhancing operational efficiency and excellence. Our focus includes continued investment in our core brands, automation, and further improvement of production processes. As part of this initiative, we have on track commissioned our new sparkling production line in October 2024. This addition will enable us to better meet the growing demand for bottled water products.

Sustainability also remains a cornerstone of our operations. We are progressively increasing the use of recycled PET in our Spritzer bottles and actively exploring innovative sustainable packaging solutions. These efforts align with our long-term commitment to environmental stewardship.

With our strong brand equity and strategic initiatives, the Board is optimistic about the Group's ability to maintain its market leadership position in the bottled water industry. We are confident in delivering a commendable performance for the financial year ending 31 December 2024.

19. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT

Not applicable.

20. TAX EXPENSE

| | Quarter ended 30.9.2024 RM'000 | Year-to-date ended 30.9.2024 RM'000 |
|------------------|---|--|
| Income tax | | |
| - current period | 1,472 | 5,078 |
| - prior year | 343 | 306 |
| Deferred tax | | |
| - current period | 696 | 1,283 |
| - prior year | 7 | 536 |
| | <u>2,518</u> | <u>7,203</u> |

The effective tax rate for the current quarter and year-to-date ended 30 September 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 except the following:

Proposed Bonus Issue

On 27 November 2024, UOB Kay Hian Securities (M) Sdn Bhd has, on behalf of the Board, announced that Spritzer proposes to undertake a bonus issue of up to 319,314,145 new ordinary shares in Spritzer ("Spritzer Shares") on the basis of 1 Bonus Share for every 1 existing Spritzer Share held on an entitlement date to be determined later. The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.

22. GROUP BORROWINGS

The Group's borrowings as at 30 September 2024 are as follows:

| | RM'000 |
|---|---------------|
| <i>Current portion (repayable in the next 12 months)</i> | |
| Unsecured | |
| - Revolving credits | 14,008 |
| - Banker's acceptances | 5,159 |
| Secured | |
| - Revolving credit | 2,963 |
| | <u>22,130</u> |
| <i>Non-current portion (repayment after next 12 months)</i> | |
| Unsecured | |
| - Revolving credits | 27,374 |
| | <u>49,504</u> |

The secured revolving credit loan of RM2,962,512 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 30 September 2024 is as follows:

| | |
|----------------------|---------------------|
| Revolving credits | 3.95 - 4.88% |
| Banker's acceptances | <u>3.56 - 4.09%</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 2024.

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 30.9.2024 RM'000 | Year-to-date ended 30.9.2024 RM'000 |
|---|---|--|
| Profit attributable to owners of the Company | 17,120 | 52,401 |
| Basic and diluted earnings per share | | |
| | '000 | '000 |
| Number of shares (excluding treasury shares) in issue at beginning of the period | 319,302 | 316,291 |
| Weighted average number of shares issued during the period | - | 2,760 |
| Shares repurchased and held as treasury shares (weighted average) | (311) | (311) |
| Weighted average number of ordinary shares for the purposes of basic EPS | 318,991 | 318,740 |
| Basic EPS (sen) | 5.37 | 16.44 |
| | '000 | '000 |
| Weighted average number of ordinary shares used in the calculation of basic EPS | 318,991 | 318,740 |
| 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 | 323,585 | 323,334 |
| Diluted EPS (sen) | 5.29 | 16.21 |

26. TRADE AND OTHER RECEIVABLES

| | As at 30.9.2024 RM'000 |
|---------------------------|------------------------------|
| Trade receivables | |
| - Non-related parties | 31,067 |
| Loss allowance | (971) |
| | 30,096 |
| - Related parties (trade) | 79,869 |
| | 109,965 |
| Other receivables | 2,945 |
| | 112,910 |

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 2024 is as follows:

| | Non-related parties RM'000 | Related parties RM'000 |
|----------------------|----------------------------------|---------------------------|
| No of days past due: | | |
| Not past due | 28,932 | 79,778 |
| 1 - 30 days | 580 | 91 |
| 31 - 60 days | 233 | - |
| 61 - 90 days | 52 | - |
| 91 - 120 days | 49 | - |
| More than 120 days | 250 | - |
| | 30,096 | 79,869 |

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 30.9.2024 RM'000 | Year-to-date ended 30.9.2024 RM'000 |
|---|---|--|
| <i>*Yee Lee Corporation Bhd Group of Companies ("YLCB")</i> | | |
| Sales | 62,135 | 183,709 |
| Purchases | 283 | 706 |
| Rental of land received | 15 | 45 |
| Others - payment for services | 2 | 34 |
| <i>YLTC Sdn Bhd</i> | | |
| Sales | 5,644 | 19,397 |
| <i>Yee Lee Marketing Sdn Bhd</i> | | |
| Sales | 6,066 | 18,708 |
| <i>Cactus Marketing Sdn Bhd</i> | | |
| Sales | 3,140 | 8,553 |
| Rental of premise received | 27 | 81 |
| <i>Yee Lee Oils & Foodstuff (Singapore) Pte Ltd</i> | | |
| Sales | 1,256 | 3,834 |
| <i>Cranberry International Sdn Bhd</i> | | |
| Sales | - | 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 | 10 | 26 |
| <i>Sabah Tea Garden Sdn Bhd</i> | | |
| Sales | 3 | 7 |
| Purchases | 59 | 119 |
| Rental of premise received | 15 | 73 |
| <i>Yee Lee Organization Bhd</i> | | |
| Rental of premise paid | 10 | 40 |

**YLCB includes the following:*

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

28. FINANCIAL INSTRUMENTS

Categories of financial instruments

| | As at 30.9.2024 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 | 8,002 |
| At amortised cost: | |
| Trade and other receivables | 112,910 |
| Fixed deposits, cash and bank balances | 21,996 |

Financial liabilities

| | |
|--------------------------|--------|
| At amortised cost: | |
| Trade and other payables | 45,010 |
| Lease liabilities | 1,513 |
| Borrowings | 49,504 |
| Accrued expenses | 55,044 |
| | 55,044 |

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 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 27 November 2024.