

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7103
COMPANY NAME : SPRITZER BHD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is responsible for formulating the strategic plans, and establishing visions and goals for delivery of such long-term value, and ensures effective leadership through oversight on management and continuously monitoring, overseeing and evaluating the Group's strategies, policies and performance so as to protect and enhance shareholders' and other stakeholders' value.</p> <p>The Board does not actively manage but rather oversees the management of the Group. To ensure the effective discharge of its functions and responsibilities, the Board delegates some of its authorities and discretion to the Managing Director, Group Chief Executive Officer, representing the Management as well as the Board Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC"), Executive Committee ("EXCO") and Employees' Share Grant Plan Committee, which are entrusted with specific responsibilities to oversee the Group's affairs, with authorities to act on behalf of the Board in accordance with their respective Terms of Reference.</p> <p>The ultimate responsibility for the final decision on all matters deliberated in these Committees, however, lies with the Board. Besides that, the Chairman of the relevant Board Committees also reports to the Board on key issues deliberated by the Board Committees at their respective meetings.</p> <p>The Managing Director, Group Chief Executive Officer and Executive Director are primarily responsible for the implementation of the strategies set by the Board and manage the day-to-day operations and administrative functions. The Management supports the Executive Directors and implements the running of the financial and general operations of the Company.</p> |

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| | <p>The Independent Non-Executive Directors provide objective and independent judgement to the decision making of the Board which provides an effective check and balance to the Board's decision-making process.</p> <p>The Board has in place a strategy planning process, whereby it will be presented for discussion on quarterly basis during board meeting and the Managing Director, Group Chief Executive Officer and Executive Directors report on the results and challenges met.</p> <p>The Board objectively reviews and monitors the implementation of the plan by Management and provides input and feedback to the Management. The Board is keep abreast with latest developments in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance to instil good governance in discharging their duties.</p> | |
| Explanation for departure | : | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Non-Independent Non-Executive Chairman, Dato’ Seri Lim A Heng @ Lim Kok Cheong, the founder of the Company and having wide experiences and knowledge in the field of bottled water sector, the Chairman has proven to be able to provide strong leadership and in prioritising business objectives.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on the Company’s website at https://www.spritzer.com.my.</p> | |
| Explanation for departure | : | | |
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| Measure | : | | |
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The roles and responsibilities of the Chairman, Dato' Seri Lim A Heng @ Lim Kok Cheong and the Group Chief Executive Officer, Mr Lim Seng Lee are separated to ensure a balance of power and authority.</p> <p>The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Group Chief Executive Officer has the overall responsibilities over organizational effectiveness and the implementation of Board's policies and decisions.</p> <p>The separation of responsibilities between the Chairman and the Group Chief Executive Officer are set out in the Board Charter which can be viewed at the Company's website at https://www.spritzer.com.my.</p> | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | | |
| Application | : | Applied |
| Explanation on application of the practice | : | The Non-Executive Chairman of the Board, namely Dato' Seri Lim A Heng @ Lim Kok Cheong assumes his position as the Chairman of the Board only and is not appointed as a member of any of the Board Committees to ensure there is check and balance and objective review by the Board. |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is supported by two (2) professionally qualified Company Secretaries, who are suitably qualified and competent. Both Company Secretaries have the requisite credentials and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries play an important advisory role and is a source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.</p> <p>The Board is regularly updated and apprised by the Company Secretaries on new regulations issued by the regulatory authorities. The Company Secretaries also serve notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares. The Company Secretaries attend and ensure that all Board Meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company. The Company Secretaries work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.</p> <p>The Board is of the view that the Company Secretaries are competent and have kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions and duties.</p> |
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Directors have the right to access to the advice and services of the Company Secretaries and all information pertaining to the Group for the purpose of discharging their duties. The Board is provided with an agenda, reports and other relevant information at least seven (7) days of the Board Meetings, covering various aspects of the Group's operations, so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision. All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretaries.</p> <p>Senior management and advisers are invited to attend Board Meetings, where necessary, to provide additional information and insights on the relevant agenda items tabled at Board Meetings.</p> <p>The Chairman leads the presentation of Board papers and discussion. Group Chief Executive Officer will explain and discuss on the pertinent issues. All Directors are entitled to call for additional clarification and information to assist them in matters that require their decision making.</p> <p>All proceedings of the Board and the Board Committees are recorded by the Company Secretaries and signed by the Chairman of the meetings.</p> <p>Besides, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated.</p> |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
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Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is guided by the Board Charter which sets out the roles, functions, authority, responsibilities, membership, key matters reserved for the Board, relationships with management and other matters.</p> <p>The Board will review the Board Charter periodically and updates it in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities to ensure its effectiveness.</p> <p>The Board Charter can be viewed at the Company’s website at https://www.spritzer.com.my.</p> | |
| Explanation for departure | : | | |
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| Measure | : | | |
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Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has formalised a Directors' Code of Ethics and Conduct that is incorporated in the Board Charter, which sets out the standard of conduct expected of Directors, with the aim to cultivate good ethical conduct that permeates throughout the Group through transparency, integrity and accountability.</p> <p>This Code describes the standards of business conduct and ethical behaviour for Directors in the performance of their duties as Directors of the Company or when representing the Company.</p> <p>Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group as soon as they become aware of the interest and abstain themselves from any deliberations on the matter.</p> <p>The Board has on February 28, 2024 adopted the Policy on Conflict of Interest to ensure that the proper processes and procedures are adhered to and undertaken by the Directors and Key Senior Management of the Group in respect of circumstances which could give rise to conflicts of interest including circumstances which, arising from such interest, could entail the entry by the Group into Related Party Transactions.</p> <p>The Board Charter and Policy on Conflict of Interest are available at the Company's website at https://www.spritzer.com.my.</p> |
| Explanation for departure | : | |
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| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Company’s Whistleblower Policy provides a mechanism for its Board members, all levels of employees, contractors, suppliers, bankers, customers and business associates to report suspected or instances of wrongdoing in the conduct of its business, whether in matters of financial reporting or other malpractices, at the earliest opportunity and in an appropriate way.</p> <p>All investigations shall be tabled to the AC of the Board that has the authority to ensure effective implementation of the Whistleblower Policy. The AC shall update the Board on reports that require their attention and approval.</p> <p>The Whistleblower Policy is available on the Company’s website at https://www.spritzer.com.my.</p> | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Spritzer has adopted a structured approach to formalize its sustainability framework, aligning with the Main Market Listing Requirements on Sustainability Reporting issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). This commitment is overseen by the Board of Directors, alongside Senior Management, ensuring strong governance of sustainability across the Group.</p> <p>Economic, Environmental, and Social (EES) factors are integrated into our strategic decision-making and daily operations to drive long-term operational efficiencies. Sustainability risks and opportunities are actively incorporated into the Group's strategic planning, risk management, and major initiatives. Senior Management plays a crucial role in managing material sustainability matters, ensuring they align with the Company's long-term goals and stakeholder expectations.</p> <p>In line with our commitment to accountability and transparency, Spritzer publishes the annual Sustainability Statement since 2018, which provides detailed insights into our sustainability progress, initiatives, and performance. This statement serves as a key platform for engaging with stakeholders and keeping them informed on the Company's sustainability journey.</p> <p>Through continuous engagement with stakeholders, the Company can address critical issues, understand emerging trends, and build stronger relationships, enabling informed decision-making and successful execution of sustainability commitments. This ongoing dialogue is essential to ensure that the Group remains accountable and responsive to all its stakeholders, reinforcing our dedication to long-term value creation through sustainable practices.</p> <p>Further details on the Spritzer Group risk governance and sustainability governance are set out in the Statement on Risk Management and</p> |

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| | Internal Control and Sustainability Statement of the Annual Report 2024. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company has consistently engaged with stakeholders through a variety of formal and informal activities at both the business unit and group levels. This multi-faceted approach ensures that communication with stakeholders is thorough, ongoing, and relevant, creating avenues for meaningful dialogue and feedback.</p> <p>Since 2018, the Company has been publishing its annual sustainability reports as a key initiative to enhance transparency and accountability. These reports provide detailed insights into the Company's sustainability performance, efforts, and progress. By publishing these reports, the Company not only meets regulatory requirements but also ensures that it remains accountable to its stakeholders, keeping them informed about key initiatives, challenges, and achievements.</p> <p>Continuous involvement with stakeholders is a fundamental aspect of the Company's operations. Regular engagement allows the Company to address critical issues affecting business operations and ensures that Management is equipped with the latest trends and diverse viewpoints from stakeholders. This input is invaluable in helping the Company stay ahead of market dynamics, anticipate emerging trends, and adapt to changing expectations.</p> <p>Engaging with stakeholders also strengthens the Company's relationships with various groups, including customers, employees, suppliers, investors, and the broader community. By fostering these relationships, the Company builds trust and collaboration, which in turn enhances its ability to make informed business decisions. These decisions are based on a clear understanding of stakeholder needs and concerns, which enables the Company to effectively execute on its sustainability commitments and operational objectives.</p> <p>Ultimately, the Company's ongoing and structured engagement with stakeholders is essential for identifying opportunities, managing risks, and refining strategies. It ensures that the Company can respond proactively to challenges, continuously improve its practices, and deliver long-term value to all its stakeholders.</p> |

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| Explanation for departure : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board ensures that it remains fully informed and proactive in addressing Environmental, Social, and Governance (ESG) risks and opportunities that may impact the Company's operations and long-term strategy. During the financial year, the Group Financial Controller provided the Board with detailed updates on ESG risks, opportunities, and proposed mitigation plans during Board meetings. This regular briefing process ensures that the Board is well-equipped to assess the potential impact of sustainability-related factors and make informed decisions on the Group's strategic direction.</p> <p>In addition to addressing ESG risks, the Board actively stays abreast of the latest regulations, industry standards, and best practices relating to sustainability, including current and emerging environmental challenges. This commitment to continuous learning ensures that the Board has a comprehensive understanding of the evolving regulatory landscape and is prepared to respond to both existing and future environmental issues that may affect the business.</p> <p>By remaining informed about the latest trends and environmental concerns, the Board is able to effectively integrate environmental considerations into the decision-making process. This includes adapting the Company's strategies and operations to address sustainability risks and capitalize on opportunities. Through this approach, the Board ensures that environmental matters are not only considered in the development of long-term strategies but are also embedded into day-to-day operational decisions across the organization.</p> <p>The Board's proactive stance on sustainability and ESG issues supports the Company in refining its practices for managing sustainability risks. It also ensures that environmental factors are consistently prioritized in both strategic planning and operational execution. This focus on sustainability is essential in driving the Company's commitment to responsible business practices, fostering long-term value creation, and ensuring the Company's continued success in an increasingly environmentally conscious business environment.</p> |
| Explanation for departure | : | |

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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board recognises the importance of sustainability in all its business operations and had included sustainability as one of the criteria in its annual board evaluations.</p> <p>The 2024 Board Self-Evaluation results demonstrated the Board's dedication to addressing the Group's sustainability issues. Recognising the need for increased attention, the Board is inclined to devote more time to focus on sustainability issues going forward.</p> <p>The criteria pertaining to sustainability matters in annual board evaluations would be reviewed from time to time to ensure its continued relevance.</p> <p>In tandem with the Board's commitment, Management places emphasis on integrating sustainability considerations into the implementation of the Company's strategies, risk management policies and procedures. This commitment forms a crucial aspect of their performance assessments, aligning with the broader goal of fostering sustainable business practices.</p> | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board with the assistance of the NC has formalised the need for periodic review and refreshing of the Board so as to ensure that the composition is in line with the strategic need of the Company and better practices of corporate governance.</p> <p>In addition, the independence of all Non-Executive Directors is reviewed by the Company annually, with reference to their independence of character and judgement and whether any circumstances or relationships exist which could affect their judgement.</p> <p>For those Directors who are retiring and eligible for re-election, the Company would only make recommendations for their re-election upon their satisfactory evaluation of their performance and contribution to the Board and the Committees, together with the overall balance of knowledge, skills, experience and diversity.</p> <p>The Company is satisfied with the performance and contribution made to the Board of the following Directors who will be retiring and eligible for re-election at the forthcoming 32nd AGM pursuant to Clause 85 of the Company's Constitution:</p> <ul style="list-style-type: none">(i) Lim Kok Boon(ii) Loh Chooi Ngan(iii) Hanani Hayati binti Mohd Adhan |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | <p>The Board has nine (9) members, comprising three (3) Executive Directors and six (6) Non-Executive Directors for the financial year ended December 31, 2024.</p> <p>Out of the nine (9) Directors, three (3) are independent. This Board composition complies with the Listing Requirements to have at least one third of the Board consisting of Independent Directors.</p> <p>The MCGG requires that at least half of the Board comprises independent directors. The Board will endeavor to have at least half the Board comprises independent directors whenever there is casual vacancy.</p> | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

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| Application | : | Applied | |
| Explanation on application of the practice | : | For financial year ended December 31, 2024, the Board comprised of three (3) Independent Directors and none of the Independent Directors of the Company has served for a cumulative term of more than nine (9) years. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

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| <i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i> | |
| Application : | Not Adopted |
| Explanation on adoption of the practice : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The NC is responsible for reviewing and assessing the mix of skills, expertise, composition, size, experience, competence and effectiveness of the Board, its Committees and Senior Management.</p> <p>The NC will take into consideration on time commitment, number of directorships and external obligations when considering candidates for directorships.</p> <p>All the existing Directors are complied with Paragraph 15.06 of the Listing Requirements, i.e. do not hold more than 5 directorships in public listed company.</p> <p>The Board believes each Director has demonstrated the attributes of devoting sufficient time to undertake the responsibilities of the role; honesty and integrity; and a preparedness to question, challenge and critique throughout the year via their attendance and participation in every Board meeting, as well as other activities that they have undertaken in their roles.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

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|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that such nomination has its merits.</p> <p>In evaluating the suitability of candidates to the Board, the NC will access and consider, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence. This is as per the Fit and Proper Policy which adopted by the Company on May 30, 2022.</p> <p>NC recommends the proposed candidate to the Board includes recommendation for appointment as a member of the various Board committees, where necessary.</p> <p>Fit and Proper Policy of the Company is available on the Company's website at https://www.spritzer.com.my/investor#corporate-governance.</p> | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The profile of directors standing for re-election are listed in the Annual Report 2024. The Board has endorsed the Nomination Committee's recommendation to seek shareholders' approval for the re-election of the following Directors:</p> <p>Pursuant to Clause 85 of the Company's Constitution:</p> <p>(i) Lim Kok Boon (ii) Loh Chooi Ngan; and (iii) Hanani Hayati binti Mohd Adhan.</p> <p>The Nomination Committee had on February 28, 2025 assessed, evaluated and recommended to the Board, the effectiveness of the Board, Board Committees and individual Directors based on a set of prescribed criteria which were approved by the Board.</p> <p>Premised on the outcome of the evaluation, the Board supports the re-election of Dato' Lim Kok Boon, Loh Chooi Ngan and Hanani Hayati binti Mohd Adhan as Directors of the Company at the forthcoming 32nd AGM as they have the relevant skill sets and experience and bring valuable insights and contribution to the Board and Company.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The NC is chaired by Ms. Loh Chooi Ngan, an Independent Non-Executive Director of the Company. | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | For the financial year ended December 31, 2024, the Board has total three women directors, represented 33.33% of the members of the Board. | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Company’s policy on gender diversity for the Board and Senior Management is disclosed in both the Sustainability Statement and Corporate Governance Overview Statement in the Annual Report 2024. The establishment of the gender diversity policy shows that Company’s support of the participation of women on the board as well as senior management. | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

| | |
|--|---|
| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : The NC conducted its formal annual evaluation and appraisal on the effectiveness of the Board, its Committees and the contribution of each director. The evaluation comprised assessment by individual directors and assessment of independence of independent directors. The assessment of individual director is based on specific criteria, covering areas such as Board composition and structure, principal responsibilities of the Board, the Board process, succession planning and Board governance. Based on the findings of the Board evaluation, the Board and its Committees as well as individual director, have discharged their roles and responsibilities in accordance with their respective charters and terms of reference. The Board will continue with the existing practice of annual board evaluation and an independent third party will be appointed to conduct or facilitate in the evaluation process of the Board and Board Committees as and when deemed necessary. |
| Explanation for departure | : |
| | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has adopted its Remuneration Policy which sets out the remuneration package of Directors and Senior Management offered by the Group and the Company that in line with current market practices to attract, retain, motivate and reward suitably qualified and candidates to occupy positions in the Board and Senior Management, thereby attaining the corporate objectives and sustainable growth and development of the Group and the Company.</p> <p>The Company endeavours to obtain up-to-date remuneration data and information on pay patterns and market practices. The Board, through the RC will conduct a periodic review of the criteria to be used in recommending the remuneration package of Directors and Senior Management to ensure that it is in line with current market practices and needs. The remuneration packages of companies comparable to the Company will be used as benchmark to ensure the remuneration packages of the Company offered to the Directors and Senior Management remain appropriate and competitive.</p> <p>The Remuneration Policy is available on the Company's website at https://www.spritzer.com.my.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>For the financial year ended December 31, 2024, the RC has three (3) members comprising exclusively of Non-Executive Directors, a majority of whom are Independent Directors:</p> <p>i) Loh Chooi Ngan - Chairman; ii) Tan Chow Yin – Member iii) Ir Nik Marni binti Nik Mohamad Pena – Member.</p> <p>The RC is responsible for setting the policy framework and makes recommendation to the Board on all elements of remuneration and terms of employment of Executive Directors and Senior Management.</p> <p>Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting decisions in respect of his individual remuneration.</p> <p>The Terms of Reference of the RC is available on the Company's website at https://www.spritzer.com.my.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | The details of the Directors' remuneration paid/payable for the financial year ended December 31, 2024 for each individual Director with a breakdown into fees, meeting allowances, salaries, bonus, equity settled share-based payment, benefits-in-kind and other emoluments are set out in the table below. |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|-------------------------------------|--|----------------|-----------|--------|-------|------------------|------------------|-------|--------------|-----------|---------|---------|------------------|--|---------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Dato' Seri Lim Kok Cheong | Non-Executive Non-Independent Director | 40.0 | 2.0 | - | - | - | - | 42.0 | 84.5 | 2.0 | - | - | 43.5 | 579.0 | 709.0 |
| 2 | Chok Yin Fatt | Non-Executive Non-Independent Director | 36.0 | 5.5 | - | - | - | - | 41.5 | 36.0 | 5.5 | - | - | - | 56.4 | 97.9 |
| 3 | Loh Chooi Ngan | Independent Director | 38.0 | 6.1 | - | - | - | - | 44.1 | 38.0 | 6.1 | - | - | - | - | 44.1 |
| 4 | Tan Chow Yin | Non-Executive Non-Independent Director | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Ir Nik Marni binti Nik Mohamad Pena | Independent Director | 36.0 | 6.3 | - | - | - | - | 42.3 | 36.0 | 6.3 | - | - | - | - | 42.3 |
| 6 | Hanani Hayati binti Mohd Adhan | Independent Director | 36.0 | 5.8 | - | - | - | - | 41.8 | 34.0 | 5.8 | - | - | - | - | 41.8 |
| 7 | Dato' Lim Kok Boon | Executive Director | 36.0 | 2.0 | - | - | - | - | 38.0 | 71.0 | 2.0 | 1,504.0 | 2,460.0 | 80.8 | 718.2 (Inclusive equity-settled share-based payment amounting to RM421.3) | 4,836.0 |
| 8 | Lim Seng Lee | Executive Director | 36.0 | 2.0 | - | - | - | - | 38.0 | 37.0 | 4.0 | 1,235.6 | 2,695.0 | 49.4 | 753.5 | 4,774.5 |

| | | | | | | | | | | | | | | | | |
|----|-----------------|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|-----------------|
| | | | | | | | | | | | | | | | (Inclusive equity-settled share-based payment amounting to RRM421.3) | |
| 9 | Lam Sang | Executive Director | 36.0 | 2.0 | - | - | - | - | 38.0 | 50.5 | 4.0 | 523.7 | 306.4 | 18.6 | 464.7 (Inclusive equity-settled share-based payment amounting to RM333.0) | 1,367.9 |
| 10 | Input info here | Executive Director | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 11 | Input info here | Executive Director | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 12 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 13 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 14 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 15 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

| | | |
|--|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>Senior Management's remuneration is not disclosed in the Annual Report 2024 for confidentiality reason as it may be detrimental to the interest of the Company and individuals.</p> <p>The Board is of the opinion that it is important for the Group to preserve confidentiality of such information in order to avoid any negative impact vis-a-vis recruitment and talent retention arising from such disclosure.</p> <p>Remuneration benchmarking is undertaken to ensure that the remuneration accorded to Senior Management lies within market norms. Excessive remuneration pay-outs are not made to Senior Management personnel in any instance.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. |
| Timeframe | : | Choose an item. |

| No | Name | Position | Company | | | | | |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | Total |
| 1 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 2 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 3 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 4 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 5 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

| No | Name | Position | Company ('000) | | | | | |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | Total |
| 1 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 2 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 3 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 4 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 5 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The AC is chaired by an Independent Director, namely Ms. Loh Chooi Ngan, who was distinct from the Chairman of the Board. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The AC Charter of the Company stated that no former key audit partner of the external auditors of the Company shall be appointed as a member of the AC before observing a cooling-off period to ensure the person does not exert influence over the audit and preparation of financial statements. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The AC has conducted an evaluation session with Deloitte PLT to evaluate their independency and professionalism as external auditors in respect of the financial year ended December 31, 2024. The Audit Partner has on behalf of Deloitte PLT, accepted the evaluation session and informed that they have not identified any breach of independence and they are in compliance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).</p> <p>The AC and the Board having been satisfied with the performance, independence and suitability of Deloitte PLT, proposed and recommended that Deloitte PLT be re-appointed as the external auditors of the Company and this was approved by the shareholders of the Company at the 31st AGM of the Company based on the credentials and resources of Deloitte PLT.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>Members of the AC are financially literate as they continuously keep themselves abreast with the latest developments in the new accounting and auditing standards and the impact it may have on the Group through briefings by the management and the external auditors.</p> <p>Mr Chok Hooa @ Chok Yin Fatt is a member of the Malaysian Institute of Accountants. In this respect, the Company is in compliance with the Listing Requirements.</p> <p>All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board acknowledges the importance in maintaining sound internal controls and effective risk management practices to mitigate and to manage potential adverse impact arising from unfavourable future events or condition, as good corporate governance in the pursuit of the Group's business objectives.</p> <p>The Board affirms its overall responsibility for the Group's risk management and internal control system which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. The Board is taking appropriate initiatives to further strengthen the transparency, accountability and efficiency of the Group's operations.</p> <p>The Board also recognises that a sound system of internal control can only provide reasonable, but not absolute assurance against material loss or failure. The internal control system is thus designed to minimise rather than to completely eliminate the risk of failure in achieving the Group's business objectives. This denotes that the internal control system has been applied to manage risks within cost levels appropriate to the significance of the risks.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has adopted a systematic approach to oversee the actual performance and provides guidance to the Management on measures to improve the business performance and minimise risk impacts. The Group has an adequate and effective risk management framework, and a sound internal control system in place. A summary of significant risks is submitted to the AC for its attention. The AC will review and monitor the effectiveness of the Group's risk management system and advises the Board accordingly. The Group Financial Controller also serves as the Group's Risk Officer who is responsible for enabling the efficient and effective governance of significant risks, and related opportunities, to the Group.</p> <p>The Board remains committed towards improving the system of internal control and risk management process to meet its corporate objectives and to support all types of businesses and operations within the Group. The Board is of the opinion that the Group's present system of internal controls is sound and sufficient to safeguard the Group's interest and its business operations. It is also satisfied that the risks taken are at an acceptable level within the control of the business environment of the Group.</p> <p>The features of risk management and internal control framework are adequately disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2024.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The internal audit function of the Company is carried out by an independent Internal Audit Team that assists the AC in managing the risks and establishment of the internal control system and processes of the Company by providing an independent assessment on the adequacy, efficiency and effectiveness of the Company’s internal control system and processes. The Internal Audit Team reports directly to the AC. Significant issues are brought up by the AC to the Board’s attention on quarterly basis. The internal audit function is independent of the operations of the Company and provides reasonable assurance that the Company’s system of internal control is satisfactory and operating effectively.</p> <p>On February 28, 2025, an annual assessment of the effectiveness and independence of the outsourced internal audit function for the financial year ended December 31, 2024 has been conducted by the AC with the Head of the Internal Audit. The outsourced Internal Audit Team has carried out their duties objectively, impartially and independently in accordance with the Global Internal Audit Standards (GIAS). The AC is satisfied with the Internal Audit Team’s overall performance and would like them to continue providing internal audit services for the Group.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>(i) Objectivity and Independence The Group engages an independent outsourced Internal Audit Team to conduct scheduled internal audit visits and carries out its functions in monitoring the effective application of policies, procedures and activities related to internal controls, risk management and governance processes.</p> <p>(ii) Internal Audit Resources During the financial year December 31, 2024, the outsourced Internal Audit Team consists of 1 Internal Auditor – Head and 3 Internal Audit Executives. All the internal audit personnel are bound to observe the Code of Ethics. For continuous professional development, the internal audit personnel would keep abreast with the latest development in the profession and regulations by attending internal and external training courses as well as visiting the Institute of Internal Auditor (IIA) website.</p> <p>(iii) Name and Qualification The Head of outsourced Internal Audit Team is Mr Chong Vai Ming. He is an Associate Member of the Chartered Institute of Management Accountants (CIMA, UK) & Chartered Global Management Accountant (CGMA), a Chartered Member of Institute of Internal Auditors Malaysia (CMIIA), a Member of the Malaysian Institute of Accountants (MIA) and possesses the Certification in Risk Management Assurance (CRMA) from the Institute of Internal Auditors, USA.</p> <p>The 3 audit staff hold the qualifications of Bachelor of Science Economics (Honours), Bachelor of Science (Honours) Actuarial Sciences and Bachelor of Business (Honours) Accounting and Finance respectively.</p> <p>(iv) Internal Audit Framework The outsourced Internal Audit Team adopts the International Professional Practices Framework of the Institute of Internal</p> |

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| | Auditors. It follows the GIAS in assessing the integrity and effectiveness of internal control system, and compliance with the established policies and procedures. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the importance of communication with shareholders of the Company and as an ongoing effort for the Company to strengthen the Company's relationship with the shareholders, the Company continues to build shareholders' confidence by keeping shareholders informed of all major developments and performance of the Group through timely announcement on quarterly results and various disclosures and announcements made to the Bursa Securities via the Bursa Link, press releases, the Company's annual reports and circulars to shareholders.</p> <p>The Company's website, https://www.spritzer.com.my, provides a comprehensive avenue for the dissemination of the latest information to the shareholders and public, such as dedicated sections on corporate information including financial information, Company news and corporate governance.</p> <p>The Group Financial Controller oversees investor relations and where appropriate and practicable, will engage with research analysts, fund managers and institutional shareholders based on mutual understanding of objectives and entertains visits from such groups.</p> <p>The Board will continue to assess and improve on the reporting and disclosure.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

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|--|---|--------------------------------------|--|
| Application | : | Not applicable – Not a Large Company | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

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|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The notice of the 31st AGM was issued at least 28 days before the AGM date to give shareholders a good lead time to read and consider the resolutions to be resolved.</p> <p>The notice of the 31st AGM also provides detailed explanations for resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to make informed decisions regarding the business agenda of the 31st AGM.</p> | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |
| | | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

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|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>All the Directors of the Company attended the 31st AGM physically on May 30, 2024.</p> <p>The 31st AGM included an avenue for questions by and answers to shareholders and proxies. The Chairman had invited shareholders and proxies to raise their questions on the Company’s financial statements and all other resolutions related to the 31st AGM. All members of the Board, Group Financial Controller, Company Secretaries and external auditors were present at the 31st AGM to respond to questions raised by the shareholders or proxies.</p> | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

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|---|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>As the Company does not have large number of shareholders and has less than 100 shareholders who attend its AGM, hence, the Board views that the current practice is suffice. The Company has adopted poll voting, in accordance with Paragraph 8.29A of the Main Market Listing Requirements, at its 31st AGM held on May 30, 2024 for all the resolutions proposed.</p> <p>The 31st AGM of the Company was physically held at Lot 898, Jalan Reservoir, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan.</p> <p>The holding of physical AGM in Taiping, Perak at the location easily accessible by its shareholders allows physical attendance and support effective face-to-face engagement between the Board and senior management with the shareholders of the Company, with interactive participation by the shareholders present at the AGM. Questions posted by the shareholders were responded accordingly.</p> <p>The shareholders whom are unable to attend and vote at the AGM of the Company are encouraged to submit the proxy form of the Company to the Share Registrar. Hence, this allows them to vote in absence.</p> <p>While taking cognisance of leveraging technology for the conduct of general meetings, the Board and Management will consider the pros and cons of conducting physical or virtual general meeting which allow remote shareholders' participation and voting including voting in absentia, having due regard to the potential challenges due to lack of technological understanding on the shareholders part besides to have in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and effective participation by the shareholders.</p> |

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

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| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | | |
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions for all the agendas related to the 31st AGM of the Company and that adequate responses were given.</p> <p>During the 31st AGM, the Group Financial Controller gave a presentation on the brief overview of Spritzer's performance for the financial year 2023 to the shareholders.</p> <p>To ensure transparency, questions submitted in advance by the Minority Shareholders Watch Group was presented to the shareholders at the 31st AGM together with the Group's response.</p> <p>All suggestions and comments given by the shareholders were noted by the Board for consideration.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |
| | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

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| provide brief reasons on the choice of the meeting platform. | | |
| Application | : | Not applicable – only physical general meetings were conducted in the financial year |
| Explanation on application of the practice | : | |
| Explanation for departure | : | |
| | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | |
| Measure | : | |
| Timeframe | : | |
| | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

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| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | | |
| Application | : | Applied |
| Explanation on application of the practice | : | The Minutes of the 31 st AGM was published on the Company's website within 30 business days after the AGM. |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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