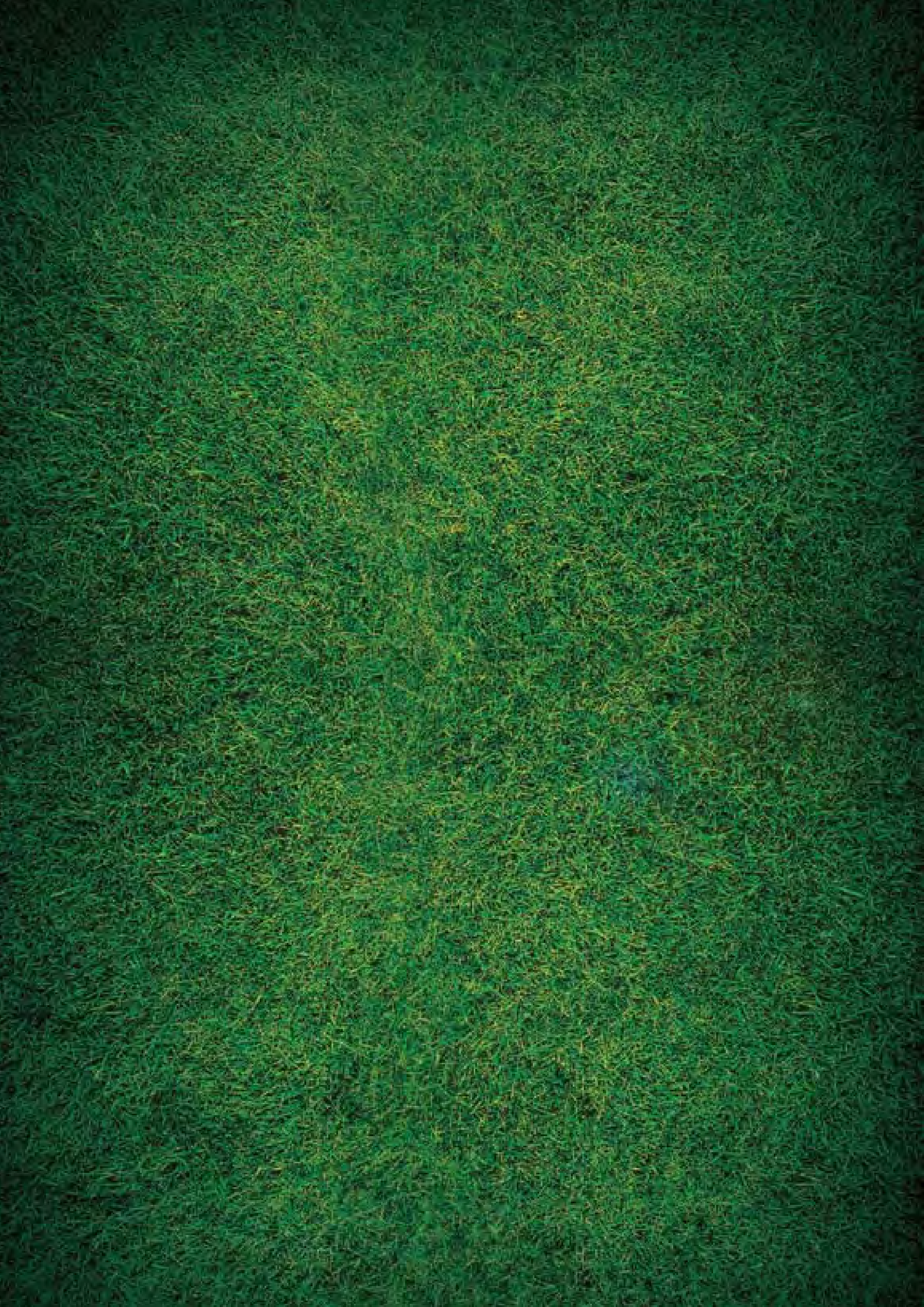
SPRITZER BHD
必 勝 有 限 公 司
(265348-V)

TWIST TO MAKE A CHANGE

ANNUAL REPORT 2012



TOGETHER
WE ACHIEVE
A GREENER
WORLD
SPRITZER®
SPRITZER BHD
必 勝 有 限 公 司
(265348-V)

COVER RATIONAL

Greener Earth, Healthier Us!

We're doing our bit for the environment with our new twist pack. It's a lighter weight bottle, that has 30% less plastic and saves at least 65% of recycling space. This helps to reduce carbon emissions for a healthier and greener earth. All the more reason to Drink up with Spritzer – Twist to Recycle!

CONTENTS

SPRITZER®

DRINK SPRITZER
TWIST
TO RECYCLE

at ONE with NATURE

Setting up a multi-million ringgit, eco-friendly bottling facility in the midst of 300 acres of private and protected tropical rainforest land away from pollution, has helped Spritzer draw directly from Nature's purity and essence.


1
Malaysia
No.1 Bottled
Water Brand
SPRITZER
SPRITZER


SPRITZER
Air Mineral Semulajadi
Natural Mineral Water
1500ml
SPRITZER
Air Mineral Semulajadi
SPRITZER
Air Minuman
600ml
SPRITZER
FIBRE
BUAH MARKISA
SPRITZER
TING
FRUIT FUSION


TINGE
KEEP DRINKING
GRAPE
SPRITZER
Natural
Mineral Water
POP
SPRITZER
Sparkling
Carbonated
Natural Mineral Water
Air Mineral Semulajadi
Berkarbonat


Extra
500ml
SPRITZER®
Air Mineral Semulajadi
Natural Mineral Water
SPRITZER®
Air Minuman
Drinking Water

Spritzer Mini Dispenser is perfect for your home, office or outdoor use. Lightweight, portable and easy to carry, Spritzer Mini Dispenser makes the replenishment of water so easy. With it, Spritzer's premium water is just a fingertip away.

Spritzer
Mini Dispenser
Bottled Water Anywhere...
Easy & Convenient


SPRITZER
SPECIAL FEATURE
Child Safety Lock on the tap,
Safe to be Placed Anywhere...
CAUTION

It's absolute convenience at hand – easy to use and suitable for all types of dispensers. With a new non-spill cap function, you can either drink direct from the bottle or just simply place it on the dispenser. What's more, when you're drinking Spritzer, you'll be comforted by the knowledge that it is totally environmentally friendly. Ease and convenience, in one Large Sized Bottle.

Spritzer Large Pack Size Bottled Water

6L& 9.5L

Notice of Nineteenth Annual General Meeting

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended May 31, 2012 and the Reports of the Directors and Auditors thereon. **RESOLUTION 1**

2. To declare a first and final dividend of 3.0 sen per share, tax-exempt in respect of the financial year ended May 31, 2012. **RESOLUTION 2**

3. To approve the payment of Directors' fees in respect of the financial year ended May 31, 2012. **RESOLUTION 3**

4. To re-elect the following Directors who retire by rotation in accordance with Article 85 of the Company's Articles of Association and, being eligible, offer themselves for re-election:-

   (i) Dato' Lim Kok Boon, DPMP **RESOLUTION 4**

   (ii) Y.B. Mohd Adhan bin Kechik, SMK **RESOLUTION 5**

   (iii) Lam Sang **RESOLUTION 6**

5. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 7**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:-

6. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 ("**the Act**")

   "THAT pursuant to Section 132D of the Act, the Articles of Association of the Company and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions, for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed ten per cent (10%) of the total issued share capital of the Company for the time being, and that such authority shall continue to be in force until the conclusion of the next AGM of the Company." **RESOLUTION 8**

7. Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature ("**Proposed Shareholders' Mandate**")

   "THAT approval be and is hereby given to the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations as set out in Section 2.4 of Part A of the Circular to Shareholders dated November 6, 2012 subject to the followings:-

   (i) the transactions are carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19th) Annual General Meeting ("**AGM**") of Spritzer Bhd ("**Spritzer**" or "**Company**") will be held at Lot 898, Jalan Reservoir, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan on Wednesday, November 28, 2012 at 11.00 a.m. for the transaction of the following business:-

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year with a breakdown of the aggregate value of the recurrent transactions based on the following information:-

(a) the type of the recurrent transactions made; and

(b) the names of the related parties involved in each type of the recurrent transactions and their relationship with the Company.

AND THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting, whichever is the earliest.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may deemed necessary or expedient to give full effect to the Proposed Shareholders' Mandate." **RESOLUTION 9**

8. Proposed Renewal of Authority to Purchase its Own Shares by Spritzer Bhd

"THAT, subject always to the Act, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of shares as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ("**Bursa Securities**") upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

(i) The aggregate number of shares bought-back and/or held does not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at any point of time;

(ii) The maximum amount to be allocated for the buy-back of the Company's own shares shall not exceed the share premium account and/or the retained profits of the Company; and

(iii) Upon completion of buy-back by the Company of its own shares, the Directors of the Company are authorised to deal with the shares so bought-back in any of the following manners:-

  (a) cancel the shares so purchased; or

  (b) retain the shares so purchased as treasury shares and held by the Company; or

  (c) retain part of the shares so purchased as treasury shares and cancel the remainder, and the treasury shares may be distributed as dividends to the shareholders of the Company and/or resold on Bursa Securities and/or subsequently cancelled or any combination of the three.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:-

(i) the conclusion of the next AGM of the Company following the AGM at which such resolution was passed at which time it will lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT authority be and is hereby unconditionally and generally given to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid buy-back with full power to assent to any conditions, modifications, revaluations, variations and/ or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements and all other relevant governmental and/or regulatory authorities." **RESOLUTION 10**

9. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Articles of Association.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a first and final dividend of 3.0 sen per share, tax-exempt in respect of the financial year ended May 31, 2012, subject to the approval of the shareholders at the 19th AGM will be paid on December 24, 2012 to Depositors whose names appear in the Record of Depositors at the close of business on December 10, 2012.

SPRITZER NATURAL MINERAL WATER
is indeed a gift of nature.

Sourced from 400ft under the ground from natural unspoilt surroundings.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on December 10, 2012 in respect of transfers; and

(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

SOW YENG CHONG (MIA 4122)
TAN BOON TING (MAICSA 7056136)
Company Secretaries

Ipoh, Perak Darul Ridzuan
November 6, 2012

Notes:-

1. Appointment of Proxy

(i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Act shall not apply to the Company.
(ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an attorney.
(iii) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
(iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
(v) The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the meeting.

2. Explanatory Notes on Special Business

(i) The proposed Resolution 8, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, the authority to allot and issue ordinary shares of the Company up to an amount not exceeding ten per cent (10%) of the Company's total issued share capital for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.
As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on November 24, 2011 which will lapse at the conclusion of the forthcoming AGM.
(ii) The proposed Resolution 9, if passed, will authorise the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business.
(iii) The proposed Resolution 10, if passed, will empower the Company to purchase its own shares up to ten per cent (10%) of the issued and paid-up share capital of the Company at any given point in time through Bursa Securities.

Please refer to the Circular to Shareholders in relation to the Proposed Shareholders' Mandate and Proposed Share Buy-Back dated November 6, 2012 for further information on Resolutions 9 and 10.

Made with 35% lesser plastic

Statement Accompanying Notice of Nineteenth Annual General Meeting

pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of individuals who are standing for election as Directors

No individual is seeking new election as a Director at the forthcoming 19th AGM of the Company.

SPRITZER®

TINGE

'Water 1 Love'

Spritzer TINGE is the exciting, trendy drink for outgoing teenagers. It is natural mineral water with a tangy tinge of lemon, fruit fusion and newly introduce Grape. Unlike most flavoured drinks in the market, TINGE is non-carbonated , non-coloured and is mildly sweetened.

Corporate Information

BOARD OF DIRECTORS

Non-Independent Non-Executive Chairman

Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP

Managing Director

Dato' Lim Kok Boon, DPMP

Executive Directors

Dr. Chuah Chaw Teo
Lam Sang

Non-Independent Non-Executive Director

Chok Hooa @ Chok Yin Fatt, PMP

Independent Non-Executive Directors

Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP

Y.B. Mohd Adhan bin Kechik, SMK

Kuan Khian Leng

AUDIT COMMITTEE

Chairman

Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP

Members

Chok Hooa @ Chok Yin Fatt, PMP

Y.B. Mohd Adhan bin Kechik, SMK

Kuan Khian Leng

NOMINATION COMMITTEE

Chairman

Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP

Members

Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP

Kuan Khian Leng

REMUNERATION COMMITTEE

Chairman

Chok Hooa @ Chok Yin Fatt, PMP

Members

Y.B. Mohd Adhan bin Kechik, SMK

Kuan Khian Leng

ESOS COMMITTEE

Chairman

Dr. Chuah Chaw Teo

Members

Lam Sang

Lim Seng Lee

COMPANY SECRETARIES

Sow Yeng Chong (MIA 4122)

Tan Boon Ting (MAICSA 7056136)

STOCK EXCHANGE LISTING

Listed on Main Market of Bursa Malaysia Securities Berhad
Stock Code : 7103
Stock Name : SPRITZR

REGISTERED OFFICE

Lot 85, Jalan Portland,
Tasek Industrial Estate,
31400 Ipoh,
Perak Darul Ridzuan.
Tel. no : 05-2911055
Fax no : 05-2919962
E-mail : info@spritzer.com.my
Website : www.spritzer.com.my

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd (118401-V)

41, Jalan Medan Ipoh 6,
Bandar Baru Medan Ipoh,
31400 Ipoh,
Perak Darul Ridzuan.
Tel. no : 05-5451222
Fax no : 05-5459222

AUDITORS

Messrs. Deloitte KassimChan (AF 0080)
Chartered Accountants

87, Jalan Sultan Abdul Jalil,
30450 Ipoh,
Perak Darul Ridzuan.
Tel. no : 05-2531358
Fax no : 05-2530090

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

OCBC Bank (Malaysia) Berhad

AmBank (M) Berhad

CIMB Bank Berhad

RHB Bank Berhad

Bank Muamalat Malaysia Berhad

Hong Leong Bank Berhad

Corporate Structure

100%
ANGENET SDN BHD

100%
CHUAN SIN SDN BHD

100%
CHUAN SIN CACTUS SDN BHD

100%
PET MASTER SDN BHD

100%
GOLDEN PET INDUSTRIES SDN BHD

100%
HIDRO DINAMIK SDN BHD

SPRITZER®

Financial Highlights

Financial year ended 31 May	2012	2011	2010	2009	2008(*)
Revenue (RM'000)	**178,208**	147,682	131,636	108,253	98,746
Revenue growth (%)	**20.7**	12.2	21.6	9.6	28.6
Profit before interest, tax, depreciation and amortisation (RM'000)	**29,542**	22,202	23,005	16,156	16,016
Profit before taxation (RM'000)	**14,251**	10,166	14,313	8,667	8,372
Profit attributable to owners of the Company (RM'000)	**10,586**	8,098	12,541	8,124	7,834
Basic earnings per share (sen)	**8.1**	6.2	9.6	6.2	6.0
Tax-exempt dividend per share (sen)	**3.0**	2.5	2.5	2.0	1.5
Dividend pay out ratio (%)	**37**	40	26	32	25
Share capital (RM'000)	**65,329**	65,329	65,329	65,329	65,329
Total equity (RM'000)	**150,207**	142,051	137,219	127,290	121,233
Net debt to equity ratio (**) (%)	**54**	60	48	17	15
Net assets per share (RM)	**1.15**	1.09	1.05	0.97	0.93
Share price at 31 May (RM)	**0.83**	0.92	0.93	0.60	0.49
Market capitalisation (RM'000)	**108,447**	120,206	121,513	78,395	63,700

(*) In 2009, the Company's issued and paid up capital was increased from RM49,000,000 to RM65,329,333 by way of a bonus issue of 16,329,333 ordinary shares of RM1 each on the basis of one new ordinary share for every 3 existing ordinary shares held. A share split was carried out by subdividing one ordinary share of RM1 each into 2 ordinary shares of RM0.50 each. The 2008 figures, where applicable, were adjusted for the aforesaid bonus issue and share split.

(**) Based on net debt (total borrowings less cash and cash equivalents) expressed as a percentage of total equity.

Chairman's Statement

Spritzer Spriky Fun Pet

For Kids
spill-proof cap and colourful bottle design

On behalf of the Board of Directors of Spritzer Bhd, I have great pleasure in presenting to you the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended May 31, 2012.

ECONOMIC OVERVIEW

The year 2011 started off when the global economic environment was in a state of great uncertainty. Despite the external challenges, the Malaysian economy has emerged well in 2011 with a GDP growth of 5.1%. At the commencement of year 2012, the sovereign debt crisis in Europe had remained unresolved. However, the Malaysian economy in 2012 is still expected to grow positively, albeit at a lower GDP growth rate of 4% to 5% (Bank Negara Malaysia). The performance of the Malaysian economy in the first half of year 2012 was underpinned by the resilient domestic consumption, low unemployment rate, positive private investment and the activities generated by the various projects under the Malaysian Economic Transformation Programme.

During the financial year under review, aided by the resilient domestic consumer spending and a bigger product range, demand for our various bottled water products has remained strong throughout the financial year. Our Group's revenue jumped by 20% to reach RM178 million, a new high in Group's revenue. From a Group's revenue of RM99 million in 2008 to RM178 million in 2012, we achieved a compounded annual growth rate of 16%.

MALAYSIAN BOTTLED WATER INDUSTRY

The Malaysian bottled water industry can be broadly divided into two segments, i.e. the mineral water segment and the drinking water segment. The mineral water segment has less than twenty active producers with total number of brands exceeding 100. Whereas the drinking water segment is highly fragmented and has more than 100 producers with hundreds of brands. It is common for bottled water producers to have multiple brands for their products.

The key differentiating factor between mineral water and drinking water is the water source. Mineral water sources must be from an underground aquifer source approved by the Ministry of Health of Malaysia and the product must be packed at source. Drinking water sources can be drawn from the tap or from the ground which also have to be approved by the Ministry of Health.

With many market participants in the industry, there are significant differences amongst these producers in terms of investment cost, the level of sophistication in the production processes and the distribution of the products. The majority of the bottlers are small companies which have limited financial resources and use simple processes in the production of bottled water and their products are usually sold in certain regional markets only. Whilst the few large bottlers use sophisticated, state-of-the-art equipment and stringent production processes to produce high volume of bottled water and their products are sold throughout the country.

The bottled water industry is expected to sustain its growth momentum due mainly to factors such as affordability, availability, convenience, quality, hygiene, health, lifestyle changes and affluent populace.

FINANCIAL REVIEW

The Group's revenue for the year increased by 20% to RM178 million from RM148 million in year 2011. The growth in revenue was achieved through the higher sales volume and better selling prices of our various bottled water products. However, the Group's profit before tax jumped by 40% to RM14.3 million from RM10.2 million previously. The profit attributable to shareholders has increased by 31% to RM10.6 million from RM8.1 million

recorded in 2011. The improvement in profit margins was mainly due to lower unit cost achieved through economies of scale and the lower raw material cost. The better selling prices of our products also contributed to the overall improvement of the profit margins. The earnings per share in year 2012 stood at 8.1 sen as compared to 6.2 sen previously.

With the better profit recorded and the higher cash flow generated in year 2012, our Group's financial position has been further strengthened. In line with the acquisition of our Shah Alam bottled water plant in late 2009, the Group had incurred high capital expenditure which was mainly financed by bank borrowings. Our net gearing reached a high of 0.60 time at May 31, 2011. We are pleased to note that our net gearing has eased to 0.54 time as at May 31, 2012. Our total shareholders' equity stood at RM150.2 million (2011: RM142.1 million) with total group assets of RM272.1 million (2011: RM264.9 million) and the net assets per share has increased to 115 sen (2011: 109 sen).

DIVIDEND

The Board of Directors is pleased to recommend a first and final dividend of 3.0 sen (2011: 2.5 sen, tax-exempt) per share, tax-exempt for the year ended May 31, 2012. The current dividend payout ratio is 37%. We currently do not have a dividend policy. Nevertheless, without fail, the Company has been paying annual dividend to its Shareholders since its listing on Bursa Malaysia Securities Berhad in year 2000. We are confident that we will be able to sustain the dividend payment in the near term.

If approved by the shareholders at the forthcoming Annual General Meeting, the dividend will be paid on December 24, 2012 to shareholders whose names appear in the Record of Depositors on December 10, 2012.

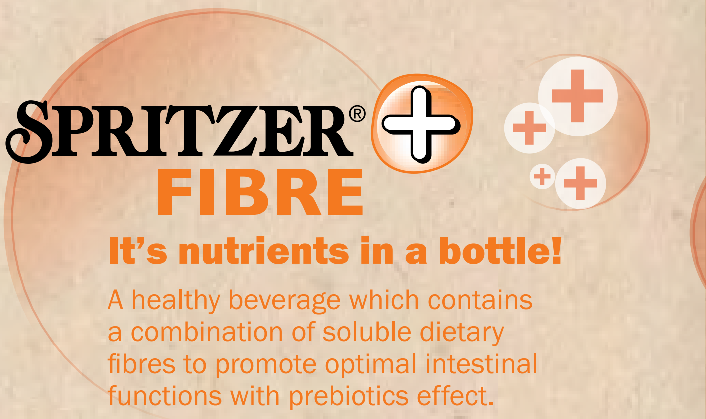
CORPORATE PROPOSALS

Subsequent to the approvals of the Shareholders of the Company at the Extraordinary General Meeting held on November 24, 2011, we had completed the implementations of the following corporate proposals:

(a) On December 14, 2011, a total of 32,658,666 free Warrants in Spritzer had been issued and allotted to the Shareholders of the Company on the basis of one (1) free warrant for every four (4) shares of RM0.50 each in Spritzer held on December 13, 2011. The exercise price of the Warrants had been fixed at RM1.18 per share. The Warrants, exercisable anytime after their issuance, will expire on December 13, 2016. The said Warrants were listed on the Main Board of Bursa Malaysia Securities Berhad on December 20, 2011.

(b) On March 9, 2012, an initial grant of 4,583,000 share options under the Employees' Share Option Scheme (ESOS) of the Company had been offered to the eligible Directors and employees of Spritzer Group, of which 4,422,000 share options had been duly accepted. The salient features of the ESOS are disclosed in Note 31 to the Financial Statements.

The purpose of the bonus issue is aimed at rewarding our loyal shareholders for their support by enabling them to participate in a derivative of the Company without incurring any cost and at the same time helps to strengthen the capital base and market capitalisation of the Company as and when the warrants are exercised during the tenure of the warrants.



The main aims of the ESOS are to recognise the contributions of the employees and directors whose services are considered vital to the continued growth of the Company, to motivate employees and directors towards improved performance and to retain key personnel to continue to serve the Group.

SILICON-RICH (OSA) SPRITZER MINERAL WATER AND ALZHEIMER'S DISEASE

I am very pleased to inform you that an independent Research headed by Professor Christopher Exley at Keele University, United Kingdom, has shown that regular drinking of up to 1 litre a day of Spritzer, a silicon-rich mineral water, removes aluminium from the bodies of people with Alzheimer's disease and in some individuals offered clinically-significant protection against cognitive decline.

Spritzer Mineral Water which contains 35mg/L (ppm) total silicon (OSA), was used in the research.

The conclusion drawn from the research is that the silicon-rich (OSA) mineral water can reduce an individual's everyday exposure to aluminium and lower their body burden of this unwanted neurotoxin. Not only did the silicon-rich water remove aluminium, it also offered clinically-significant protection against cognitive decline in some individuals. There has been a substantive link between Alzheimer's disease and everyday exposure to aluminium. The result from the research is certainly significant and useful in the study of the Alzheimer's disease.

OUTLOOK AND PROSPECTS

We upgraded our warehousing facilities in our mineral water plant in Taiping in the financial year ended May 31, 2012. Currently, we are expanding our warehousing facilities in both our manufacturing plant in Ipoh and our mineral water plant in Yong Peng, Johor in anticipation of positive demand of our products. We are also planning some marketing and promotional activities and are taking steps to ensure our products are available in more retail and distribution outlets.

Against a highly uncertain global economy mainly due to the ongoing European sovereign debt crisis, the domestic economy has thus far remained positive due mainly to the fairly resilient domestic demand. The steady employment outlook, rising disposable income and growing tourism industry will all contribute to the increasing demand of bottled water in Malaysia. With our continuous efforts to promote our various brands and with our comprehensive range of bottled water products, the enhancement of our production capacity and the recent upgrading of our warehousing facilities, we are confident that the volumes of our bottled water products will continue to grow. While we expect a competitive environment as some of the bigger water bottlers try to garner a bigger market share, we remain confident that we will be able to defend our leading position in the Malaysian bottled water industry.

We will continue to focus on our operational efficiency to remain competitive. To capitalise on our enhanced production capability, we will gradually increase our range of bottled water products to cater to the needs of various market segments. With the various measures taken to boost our revenue, we remain confident that the prospects of our Group for the longer term will be positive.

The directors expect the Group to perform satisfactorily in the year ending May 31, 2013.

AWARDS AND ACCOLADES

We have received numerous prestigious awards and accolades since our commencement of mineral water production more than 20 years ago. Subsequent to my previous report to you in October 2011, we have received the following awards and accolades:

In May 2012, we received the BrandLaureatte Award 2011-2012, Best Brands in Consumer – Mineral Water which honours the best of products and services.

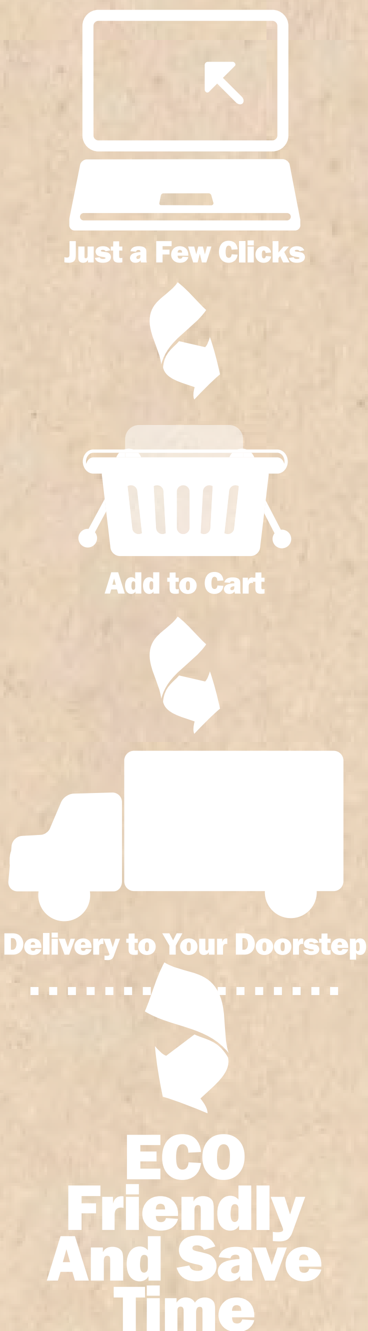
In June 2012, Spritzer emerged as the Platinum Winner of the Readers' Digest Trusted Brands Award 2012. The award is a seal of approval by consumers and a vote of the trust and confidence by consumers in the brand. The platinum award is also significant as the Platinum Trusted Brand Award is reserved for brands with scores three times or more that of the nearest competitor. Platinum can also be awarded to a brand which has a score that is at least twice that of the nearest competitor and an average rating of at least 4 points (out of 5) on the qualitative criteria.

In September 2012, Spritzer has, for the third consecutive year, been awarded the prestigious Asia Pacific Bottled Water Company of the Year, 2012 by Frost & Sullivan. Frost & Sullivan has recognized Spritzer for having captured a substantial market share of the Malaysia bottled water market. Internationally, our performance and continuous expansion in Asia Pacific is outstanding, with a laudable branding strategy and innovative new product packaging to suit customers' preference. This Award confirms the Company's leading position in the bottled water industry and recognising our continuous efforts in introducing and improving our bottled water products for customers and consumers.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I thank the management and staff at all levels for the strong commitment and contribution towards the continued success of the Group. I also would like to thank our shareholders, customers, business associates, consumers, bankers and financiers and the various government authorities for their continued support.

DATO' LIM A HENG @ LIM KOK CHEONG
Chairman
October 19, 2012



Corporate Social Responsibility

At Spritzer, Corporate Social Responsibility (CSR) is an integral part of our business. We strive to maintain a proper balance between the Group's economic, social and environmental responsibilities and the interests of our various stakeholders. We recognise the direct and indirect impact of our business activities on the environment and the market place and we continue to plan and carry out our CSR efforts which focus on the four main areas namely, the environment, the community, the market place and the work place.

Environment

Spritzer's modern, eco-friendly manufacturing facility is operating on approximately 300 acres of tropical forest in Taiping, Perak, away from potential pollution, thus safeguarding our natural water source and ensuring the high quality of the our products. We are conscious and understand the need of careful management on the issue of carbon footprint generated by our business activities and we are committed to protect and preserve the environment. The on-going actions taken and new initiatives introduced by our Group include the following:

- Packaging reduction and light-weighting. By reducing the weight of packaging through innovative design and new packaging solutions, the consumption of raw materials, eg. plastic as well as the energy cost required to produce the packaging is being reduced. Our Spritzer bottles are designed to be easily twisted and compressed for easy recycling.
- The use of plastic PET (polyethylene terephthalate) materials which is 100% recyclable for packaging.
- Optimising transportation and logistics by engaging in efficient and effective delivery and distribution systems in the effort to minimise oil consumption as well as carbon dioxide emissions.
- Promoting recycling amongst consumers, projects include embarking on the following campaign with the objective of educating the public on awareness of environmental issues and recycling:
  (a) "Drink Spritzer Twist to Recycle" campaign, a roadshow which was held at 13 different locations around the Klang Valley in October 2011.
  (b) "Go Green" campaign which runs a contest on Spritzer Facebook.

Community

Spritzer cares about the well-being of the local community, we believe in sharing with our community to improve the overall well-being and to promote growth. Regular contributions are extended to schools, under privileged children's homes, local temples and mosques and to other charitable entities. Besides contributing locally, Spritzer also contributes to the international community. This year, Spritzer donated its products again to the earthquake victims in Fukushima, Japan and also engaged in a donation cum charity drive for the flood victims in Bangkok, Thailand.

Other activities undertaken by Spritzer include annual and regular sponsorships of sporting, entertainment, educational and cultural events. We also collaborate and work closely with the Taiping local authorities by contributing and maintaining of the street light boxes at popular tourist attractions, for the purposes of beautifying and promoting Taiping as a heritage town.

Regular plant tours are conducted for school children, government department officers, suppliers, customers, members of clubs and associations and also members of the public. Spritzer welcomes the public to visit its plant in Taiping and is transparent about its manufacturing process for education purpose.

Market Place

In dealings with our suppliers, customers, shareholders and other stakeholders, Spritzer holds firm to corporate ethics which include doing business responsibly and in the interest of our stakeholders in the long term. Spritzer supports green initiatives/products and takes this into account during suppliers and vendors selection process and also in other stages of our procurement process.

We once again, for the third consecutive year, receive the prestigious award of Asia Pacific Bottled Water Company of the Year 2012 from Frost & Sullivan. This confirms our leadership position in the industry and the wide acceptance of our products in the market place.

Spritzer's commitment to good corporate governance and the continuous improvement in corporate governance are further elaborated in the Statement on Corporate Governance of this Annual Report.

Corporate Social Responsibility

01 Twist to Recycle educational campaign

02 Sponsorship to tsunami and earthquake victims at Fukushima, Japan

03 Sponsorship to basketball team

04 Plant Visit from School, Sek Semangat Maju

05 Sponsorship to Wong Tze Wah Talk Show

Work Place

Spritzer recognises that our employees are our greatest asset; they are major contributors to our success and play a critical part in helping the Group achieve our business objectives. Therefore, we strongly believe in the continuous development in technical and non-technical skills, performance management and growth of our people.

Spritzer also recognises that to maintain a competitive edge, we need to attract and retain talent. One of the ways is by establishing the Employees' Share Option Scheme ("**ESOS**") in March 2012 for eligible employees and directors as a way of appreciating and recognising their contributions towards the Group.

Our human capital development programmes include in-house and external training and seminars, provision of information/knowledge sharing platform to encourage communication and to improve knowledge sharing.

Spritzer provides a safe, clean and hygienic working environment to our people so as to maximise their performance and productivity. Regular social, sporting and team building activities are carried out for employees to encourage communication and to promote health and vitality at the same time.

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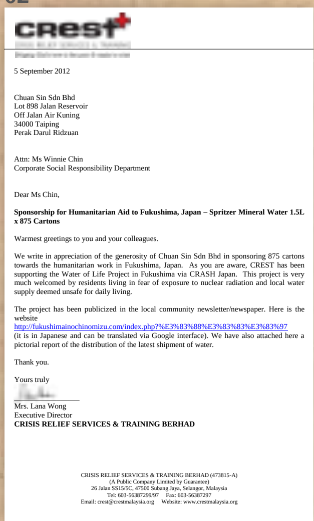

5 September 2012

Chuan Sin Sdn Bhd
Lot 898 Jalan Reservoir
Off Jalan Air Kuning
34000 Taiping
Perak Darul Ridzuan

Attn: Ms Winnie Chin
Corporate Social Responsibility Department

Dear Ms Chin,

Sponsorship for Humanitarian Aid to Fukushima, Japan – Spritzer Mineral Water 1.5L x 875 Cartons

Warmest greetings to you and your colleagues.

We write in appreciation of the generosity of Chuan Sin Sdn Bhd in sponsoring 875 cartons towards the humanitarian work in Fukushima, Japan. As you are aware, CREST has been supporting the Water of Life Project in Fukushima via CRASH Japan. This project is very much welcomed by residents living in fear of exposure to nuclear radiation and local water supply deemed unsafe for daily living.

The project has been publicized in the local community newsletter/newspaper. Here is the website http://fukushimainochinomizu.com/index.php?%E3%83%88%E3%83%83%E3%83%97 (it is in Japanese and can be translated via Google interface). We have also attached here a pictorial report of the distribution of the latest shipment of water.

Thank you.

Yours truly

Mrs. Lana Wong
Executive Director
CRISIS RELIEF SERVICES & TRAINING BERHAD

CRISIS RELIEF SERVICES & TRAINING BERHAD (473815-A)
(A Public Company Limited by Guarantee)
26 Jalan SS15/5C, 47500 Subang Jaya, Selangor, Malaysia
Tel: 603-56387299/97 Fax: 603-56387297
Email: crest@crestmalaysia.org Website: www.crestmalaysia.org

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Directors' Profile

Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP
Non-Independent
Non-Executive Chairman

Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP, aged 67, a Malaysian and was appointed to the Board on June 22, 2000.

He has more than 40 years of experience in the trading and manufacturing of edible oils and consumer products industry.

He is the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia and Perak Chinese Chamber of Commerce and Industry; Honorary President of Perak Basketball Association, The Associated Eng Choon Societies of Malaysia, International Fellowship of Eng Choon Association, The Federation of Hokkien Associations of Malaysia and Perak Hock Kean Association. He is also the Chairman of Poi Lam High School (Suwa) and Vice Chairman of Sekolah Menengah Jenis Kebangsaan Sam Tet.

He is the Deputy Chairman and Group Managing Director of Yee Lee Corporation Bhd, a Director of Yee Lee Organization Bhd, a non-listed public company. He is also the Chairman of the Nomination Committee of the Company.

He is a brother of Dato' Lim Kok Boon, DPMP, spouse of Datin Chua Shok Tim @ Chua Siok Hoon, a director and major shareholder of Yee Lee Corporation Bhd and Yee Lee Holdings Sdn Bhd respectively, all of whom are the major shareholders of the Company.

Dato' Lim Kok Boon, DPMP
Managing Director

Dato' Lim Kok Boon, DPMP, aged 57, a Malaysian and was appointed to the Board on June 22, 2000. He had been conferred the Darjah Dato' Paduka Mahkota Perak (D.P.M.P) which carries the title Dato' by the Sultan of Perak in May 2012.

He is a Past President/Consultant of the Asia Middle East Bottled Water Association (ABWA). He is also the adviser to the Board of Governors of Hua Lian High School, Taiping.

He has been involved in the sales and distribution of biscuits, confectionery and bottled drinks since 1979. He was instrumental in the growth of Chuan Sin Sdn Bhd, a wholly-owned subsidiary of the Company, when it successfully switched to the production of bottled water in 1988. Since then, he has been overseeing the entire day-to-day operations of Spritzer Bhd Group.

He is a brother of Dato' Lim A Heng @ Lim Kok Cheong, brother-in-law of Datin Chua Shok Tim @ Chua Siok Hoon and the spouse of Datin Lai Yin Leng, all of whom are the major shareholders of the Company.

Dr. Chuah Chaw Teo
Executive Director

Dr. Chuah Chaw Teo, aged 61, a Malaysian and was appointed to the Board on May 16, 1994. He graduated with a Bachelor of Science (Honours) Degree in 1975 and Doctorate in Applied Organic Chemistry in 1979 from University of Otago, New Zealand.

He worked as a teaching assistant in Polymer Laboratory, State University of New York from 1980 to 1982 and as a Research Associate in University of Malaya in 1982. From 1983 to June 1997, he worked for Yee Lee Corporation Bhd in various capacities as Chief Chemist, Research and Development Manager and later as General Manager of Research and Development Department. He joined Chuan Sin Sdn Bhd as its General Manager in July 1997 and responsible for the product development, quality control and improvement of Chuan Sin Sdn Bhd's products.

He was a member of the Committee set up by the Standards and Industrial Research Institute of Malaysia (SIRIM) in 1991 to produce a draft on Malaysian Standards Specification on Natural Mineral Water. Presently, he is the Chairman of the Federation of Malaysian Manufacturers Bottled Water Group and also the Chairman of the Environmental and Technical Committee of the Asia Middle East Bottled Water Association (ABWA). He is the Director of Hovid Berhad.

He is the Chairman of ESOS committee of the Company.

Lam Sang, aged 62, a Malaysian and was appointed to the Board on December 28, 2001. He has more than 30 years of experience in the manufacturing and marketing of plastic products and toothbrush. He is the Vice President of Malaysia-China Chamber of Commerce, Perak Branch and Perak Hock Kean Association.

Mr. Lam is the Managing Director of Golden PET Industries Sdn Bhd ("GPI"), a wholly-owned subsidiary of the Company. Prior to joining GPI in 1981, he was the Sales Manager of United Plastic Sdn Bhd, a plastic manufacturing company from 1973 to 1980.

He is a member of ESOS committee of the Company.

Lam Sang

Executive Director

Chok Hooa @ Chok Yin Fatt, aged 65, a Malaysian and was appointed to the Board on December 28, 2001. He graduated with a Bachelor Degree in Business Studies from Curtin University of Technology, Australia and Master in Business Administration from University of Strathclyde, United Kingdom. He is a Chartered Accountant of the Malaysian Institute of Accountants, fellow members of CPA Australia and Malaysian Institute of Chartered Secretaries and Administrators and a member of the Malaysian Institute of Certified Public Accountants.

He has extensive experience in the field of financial management, accounting and corporate secretarial functions. He was attached to UAC Berhad from 1974 to 1982. In 1982, he joined Yee Lee Corporation Bhd as Chief Accountant and was promoted to the Board as an Executive Director in 1990.

He is a Director of OKA Corporation Bhd, Yee Lee Corporation Bhd and other public companies which are not listed on the Bursa Malaysia Securities Berhad including Yee Lee Organization Bhd. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company.

Chok Hooa @ Chok Yin Fatt, PMP

Non-Independent
Non-Executive Director

Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, aged 61, a Malaysian and was appointed to the Board on July 14, 1997. He obtained a Degree of Bachelor of Science (Civil Engineering) from University of Glasgow, United Kingdom in 1975. He holds the memberships in the following professional bodies, namely the Board of Engineers Malaysia, Institution of Engineers Malaysia, Institution of Highways and Transportation United Kingdom, Chartered Professional Engineers Australia and Association of Consulting Engineers Malaysia. He advises the Board members on all matters relating to civil and structural aspect of the Group's buildings.

He is a consultant engineer and the Managing Director of Nik Jai Associates Sdn Bhd, a company of civil and structural engineering consultants. He started his career as a civil engineer with Jabatan Kerja Raya (JKR) in 1975 and was promoted to the post of Senior Executive Engineer in 1980. He left JKR in 1983 and joined an engineering consulting firm. In 1985, he set up his own partnership firm, Nik Jai Associates. In 1990, he incorporated his company, Nik Jai Associates Sdn Bhd which specialises in multi-storey buildings, highways, bridges and water resources.

He is the Chairman of the Audit Committee and a member of the Nomination Committee of the Company.

Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP

Independent
Non-Executive Director

Y.B. Mohd Adhan bin Kechik, SMK

Independent
Non-Executive Director

Y.B. Mohd Adhan bin Kechik, aged 57, a Malaysian and was appointed to the Board on May 16, 1994. He graduated with a Bachelor of Laws (Honours) Degree and Master of Laws Degree from University of Malaya.

He is a lawyer by profession. Currently, he is practising as a partner at Messrs. Adhan & Yap. Prior to setting up his own private practice in Kota Bharu, Kelantan in 1984, he was attached to the Legal and Judicial Department for five years serving in the Magistrate Court, High Court, Public Trustee's office and Attorney General's office before being appointed the Legal Adviser to the Ministry of Transport in 1983. He also served the State Government of Kelantan for four years as Menteri Besar's political secretary from 1986 to 1990. He is an elected State Assemblyman of Kelantan for Kemahang from 1995 to 1999 and Bukit Bunga since 2004.

He is a Director of Yee Lee Corporation Bhd, a member of the Audit Committee and Remuneration Committee of the Company.

Kuan Khian Leng

Independent
Non-Executive Director

Kuan Khian Leng, aged 36, a Malaysian, was appointed to the Board on January 25, 2007. He graduated with a Bachelor in Civil Engineering (First Class Honours) and Master in Management Science & Operational Research from University of Warwick, United Kingdom.

He started his career as a Civil and Structural Engineer in Sepakat Setia Perunding Sdn Bhd in year 2000. In March 2002, he joined Citibank Berhad as Assistant Manager and subsequently held several managerial positions in the Marketing, Project Management and Risk Management departments. In July 2006, he held the position of Business Intelligence Head in Kuwait Finance House (Malaysia) Berhad.

Currently, he is an Executive Director of Mexter Technology Berhad, a company listed on the ACE Market. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Note:-
Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of the Company and have not been convicted for any offence within the past ten years. Other than the permitted recurrent related party transactions and share buy-back authority as disclosed in the Circular to Shareholders, none of the Directors have any conflict of interest with the Company.

Audit Committee Report

COMPOSITION

In line with the Malaysian Code on Corporate Governance, all members of the Audit Committee are Non-Executive Directors with majority of them being Independent Directors. They are as follows:-

Chairman

Dato' Ir. Nik Mohamad Pena bin Nik Mustapha
Independent Non-Executive Director

Members

Chok Hooa @ Chok Yin Fatt
Non-Independent Non-Executive Director

Y.B. Mohd Adhan bin Kechik
Kuan Khian Leng
Independent Non-Executive Directors

TERMS OF REFERENCE

Membership

The Audit Committee shall be appointed by the Board of Directors ("**Board**") from amongst their members and shall compose of no fewer than three members. At least one member of the Audit Committee:-

(i) must be a member of the Malaysian Institute of Accountants; or
(ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience; and
  (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
  (b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
(iii) fulfill such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("**Bursa Securities**").

Mr. Chok Hooa @ Chok Yin Fatt is a member of the Malaysian Institute of Accountants. In this respect, the Company is in compliance with Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements of Bursa Securities.

No alternate director shall be appointed as a member of the Audit Committee.

All members of the Audit Committee including the Chairman will hold office only as long as they serve as directors of the Company. Should any member of the Audit Committee cease to be a director of the Company, his membership in the Audit Committee would cease forthwith.

The members of the Audit Committee shall elect a Chairman from amongst their number who is an independent director.

The Board shall review the term of office and performance of the Audit Committee and each of its members at least once every three years, to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

If a member of the Audit Committee ceases to be a member resulting in the number being reduced to less than three, the Board shall within three months of that event, appoint such new members to make up the minimum number.

Duties and Responsibilities

All the Audit Committee members are able to effectively discharge their functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee and to support the Board for ensuring Corporate Governance of the Group which include the followings:-

(i) Financial Reporting
Review and recommend the quarterly results and annual financial statements, prior to the approval by the Board, focusing particularly on:-
- changes in or implementation of major accounting policies and practices;
- significant and unusual events;
- compliance with accounting standards and other legal requirements; and
- the going concern assumption.

(ii) Internal Auditor
- review the adequacy of the scope, functions, competency and resources of the internal audit functions; and
- review the internal audit plan, audit reports and follow up on the recommendations contained in such reports.

(iii) External Auditors
- review the external auditors' audit plan, scope of their audits and audit reports;
- review with the external auditors, their evaluation of the system of internal controls; and
- review the performance of the external auditors and make recommendation to the Board on their appointment and remuneration.

(iv) Related Party Transactions
- review any related party transactions and conflict of interest situations that may arise including any transaction, procedure or course of conduct that raises a question of management integrity within the Group.

(v) Employees' Share Option Scheme
- review and verify the allocation of options pursuant to the Company's Employees' Share Option Scheme is comply with the criteria of allocation.

(vi) Other Matters
- assessing processes and procedures for the purpose of compliance with all laws, regulations and rules, directives and guidelines established by the relevant regulatory bodies; and
- perform any other functions as the Audit Committee considers appropriate or as authorised by the Board.

Authority

The Audit Committee shall have the authority to:-

(i) obtain the necessary resources required to perform its duties.

(ii) have full and unrestricted access to any information and documents relevant to its activities. All employees of the Group are required to comply and co-operate with any request made by the Audit Committee.

(iii) convene meetings with the external auditors, the internal auditors or both without the presence of Executive Director, Management or other employees of the Group, unless specifically invited by the Audit Committee. Meetings with the external auditors are held as and when necessary, and at least twice a year.

(iv) seek independent professional advice as it considers necessary.

Meetings

The Audit Committee shall meet at least four times annually and additional meetings may be called at any time at the Chairman's discretion. An agenda shall be sent to all members of the Audit Committee and any persons that may be invited to attend. The External and Internal Auditors and other members of senior management may be invited to attend these meetings upon invitation by the Chairman of the Audit Committee. The Company Secretary shall record, prepare and circulate the minutes of meetings and ensure that the minutes are properly kept.

The Audit Committee held four meetings during the financial year ended May 31, 2012. The attendance of the Audit Committee members is as follows:-

Audit Committee Members	**Attendance**
Dato' Ir. Nik Mohamad Pena bin Nik Mustapha	4/4
Chok Hooa @ Chok Yin Fatt	4/4
Y.B. Mohd Adhan bin Kechik	4/4
Kuan Khian Leng	4/4

SUMMARY OF ACTIVITIES

During the financial year, the Audit Committee carried out the following activities:-

(i) reviewed and approved the Internal Audit Plan, strategy and scope of work.

(ii) reviewed the internal and external auditors' reports and considered the major findings by the auditors and management responses thereto.

(iii) reviewed the Audit Planning Memorandum of the external auditors prior to the commencement of their audit engagement.

(iv) reviewed the unaudited quarterly financial results and audited financial statements of the Company and of the Group prior to the submission to the Board for approval.

(v) reviewed the recurrent related party transactions entered into by the Company and the Group to ascertain that the transactions are conducted at arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders; and

(vi) reviewed and verified that the allocation of options pursuant to the Company's Employees' Share Option Scheme is in compliance with the criteria for allocation of options as disclosed to employees of the Company.

The Group does not have an internal audit department of its own and had therefore engaged the services of a related party to carry out such tasks. The costs incurred for the internal audit function in respect of the financial year ended May 31, 2012 is RM60,000.00.

SUMMARY OF ACTIVITIES UNDERTAKEN BY A RELATED PARTY ENGAGED TO CARRY OUT INTERNAL AUDIT FUNCTION

The Company has engaged a related party, Yee Lee Edible Oils Sdn Bhd, to perform internal audit function for the Group. Its internal auditors are engaged to perform routine audit on all operating units within the Group, with emphasis on principal risk areas. The planning and conduct of audits basing on the risk profile of the business units of the Group is in line with the approach adopted in the Enterprise Risk Management of the Group. Their audit scopes include regular independent assessments and systematic review of the adequacy, efficiency and effectiveness of the Group's internal control system. The internal auditors also undertake to conduct special audits from time to time as requested by the senior management.

Audit assignments were performed during the year on subsidiary companies of the Group covering assets management, cash collections and credit control, inventory, purchasing and sales, operations and compliance to ISO 9001:2000 quality management system. Audit reports incorporating the findings and recommendations for corrective actions on the systems and control weaknesses are presented to the Management concerned and thereafter to the Audit Committee for appraisal and review. The Management will ensure all remedial actions have been taken to resolve the audit issues highlighted in the audit reports within a reasonable time frame. Significant issues will be highlighted by the Audit Committee to the Board on quarterly basis.

Statement on Corporate Governance

Spritzer Bhd adheres to high standards of corporate governance practices under the leadership of the Board of Directors ("**Board**"), as guided by the Malaysian Code on Corporate Governance ("**Code**"). It is being fully applied as a fundamental part of discharging the directors' responsibilities to protect and enhance shareholders' value.

Set out below are the corporate governance principles and practices that were applied during the financial year ended May 31, 2012.

THE BOARD OF DIRECTORS

Composition

The Board presently has eight members comprising of the following:-

- Chairman
- Managing Director
- Two Executive Directors
- A Non-Independent Non-Executive Director
- Three Independent Non-Executive Directors

The profile of each Director is presented on pages 24 to 26 of the Annual Report.

The Directors are equally accountable under the law for the proper handling of the Group's affairs. The Directors are from diverse professional background with a range of knowledge and experience vital towards the effective leadership and continued success of the Group.

Board Balance

The Board meetings are presided by the Chairman. There is a clear division of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has the overall responsibilities over organisational effectiveness and the implementation of Board policies and decisions.

The Executive Directors are generally responsible for making and implementing policies and decisions of the Board, overseeing operations as well as managing development and implementation of business and corporate strategies. The Independent Non-Executive Directors are independent of management and free from any business relationship which could materially interfere with their independent judgment. Their presence ensure that issues of strategies, performance and resources proposed by the management are objectively evaluated with their judgment.

The Board is satisfied with the existing number and composition of the Directors which fairly reflects the investment of minority shareholders in the Company.

Board Meetings

The Board has committed to meet at least four times a year, usually before the announcement of quarterly results to Bursa Malaysia Securities Berhad ("**Bursa Securities**"), with additional meetings convened when necessary.

During the financial year ended May 31, 2012 four Board Meetings were held and the attendance is as follows:-

Directors	Attendance
Dato' Lim A Heng @ Lim Kok Cheong	4/4
Dato' Lim Kok Boon	4/4
Dr. Chuah Chaw Teo	4/4
Lam Sang	4/4
Chok Hooa @ Chok Yin Fatt	4/4
Dato' Ir. Nik Mohamad Pena bin Nik Mustapha	4/4
Y.B. Mohd Adhan bin Kechik	4/4
Kuan Khian Leng	4/4

Supply of Information

The Board is provided with an agenda, reports and other relevant information prior to Board Meetings, covering various aspects of the Group's operations. This is issued on a timely manner to enable the Board to participate actively in the overall management of the Company and to effectively discharge their duties and responsibilities.

All Directors have access to the advice and services of the Company Secretaries to assist them in carrying out their duties.

Directors' Training

The Board acknowledges that continuous education is vital in keeping them abreast with developments in the market place and with new statutory and regulatory requirements, besides enhancing professionalism and knowledge in enabling them to discharge their roles in an effective manner.

Relevant training programmes were arranged to facilitate knowledge building for Directors. The Directors may also attend additional training courses according to their individual needs, to equip themselves for the discharge of their responsibilities as directors of a public listed company and in the Board Committees on which they serve.

All directors have attended training programs during the year. The trainings attended by the Directors, collectively or individually were as follows:-

- The Securities Commission's New Corporate Governance Blueprint – What Does it Mean for your Company
- Key Amendments to Listing Requirements and Corporate Disclosure Guide – 2011
- Enterprise Risk Management
- FMM Leadership Luncheon Talk – Managing a Competitive Global Business
- 2012 Budget Proposals – Tax Changes and its Impact on Businesses
- Global Market Outlook – What to Expect for the Dragon year 2012
- Carving out the Economic Architecture in the year of the Dragon
- Pocket talk-trade settlement in Renminbi
- Board's Role in Governance and Audit Committee Oversight Responsibilities – Passion Beyond Numbers
- Role of the Audit Committee in Assuring Audit Quality

Re-election and Appointments of Directors

In accordance with the Company's Articles of Association, all newly appointed Directors are subject to re-election by shareholders at the first annual general meeting after their appointments. The Articles also provide that one third of the remaining Directors be subject to re-election by rotation at each annual general meeting provided always that all Directors including Managing Director shall retire from office once at least in each three years but shall be eligible for re-election.

The Board has empowered the Nomination Committee to consider and make recommendations to the Board for the continuation in service of those Directors who are due for retirement and recommendation of new Directors, if required to enhance the composition of the Board.

As an integral element of the process of appointing new Directors, the Nomination Committee will ensure that Directors undergo an orientation programme to familiarise themselves with the Group's businesses, which include visits to the Group's various offices and factory premises and meetings with senior management. This is to facilitate their understanding of the Group's activities and to assist them in effectively discharging their duties.

DIRECTORS' REMUNERATION

The details of the remuneration for the Directors of the Company paid or payable by the Company and its subsidiary companies for the financial year under review are as follows:-

	Salaries RM'000	Bonus RM'000	Fees RM'000	Equity-Settled Share Based Payments RM'000	Others RM'000	Total RM'000
Executive Directors	762	226	74	129	105	1,296
Non-Executive Directors	-	-	93	121	235	449

Directors' remuneration are broadly categorised into the following bands:-

	Number of Directors	
Range of remuneration	**Executive Directors**	**Non-Executive Directors**
RM1 to RM50,000	-	2
RM50,001 to RM100,000	-	2
RM200,001 to RM250,000	-	1
RM300,001 to RM350,000	2	-
RM600,001 to RM650,000	1	-

Directors' fees are subject to the approval by shareholders at the forthcoming 19th Annual General Meeting of the Company.

BOARD COMMITTEES

The following Committees have been established to assist the Board in discharging its responsibilities:-

(i) Audit Committee

The Audit Committee consists of four members, comprising all Non-Executive Directors. Its composition and terms of reference are set out in the Audit Committee Report on pages 27 to 29 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee has three members comprising the Non-Independent Non-Executive Chairman and two Independent Non-Executive Directors.

The Nomination Committee is responsible for assessing the performance of the existing Directors and identifying, nominating, recruiting, appointing and orientating new Directors. It assists the Board in reviewing the required mix of skills and experience of the Directors.

Meetings of the Nomination Committee are held as and when required, and at least once a year. The Members met once in the financial year ended May 31, 2012.

(iii) Remuneration Committee

The Remuneration Committee has three members comprising two Independent Non-Executive Directors and a Non-Independent Non-Executive Director.

The Remuneration Committee 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. 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.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Members met once in the financial year ended May 31, 2012.

(iv) Employees' Share Option Scheme Committee

The Employees Share Option Scheme Committee is established to administer the Employees' Share Option Scheme in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required.

SHAREHOLDERS

Dialogue between the Company and Investors

Shareholders are kept well informed of the development and performance of the Group through annual reports, press release, Company's website, quarterly results and other announcements to Bursa Securities. The Annual Report contains all the necessary disclosures in addition to facts and figures about the Group.

The Company values dialogues with its shareholders, potential investors, institutional investors and analyst and is willing to meet up with anyone to explain or clarify any information disclosed in its Annual Report or announcements released to Bursa Securities. The Board has identified Y. B. Mohd Adhan bin Kechik, SMK, an Independent Non-Executive Director, to whom any concern may be conveyed. Shareholders may also contact the Company Secretaries for information at all times.

General Meetings

Notices of Annual and Extraordinary General Meetings of the Company are distributed to shareholders within a reasonable and sufficient time frame. Adequate time is given during the general meetings to allow shareholders to seek clarifications or ask questions on pertinent and relevant matters.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's and the Group's financial performance and position and its future prospects through the issuance of Annual Audited Financial Statements, quarterly results and corporate announcements on significant development.

This assessment is primarily provided in the Annual Report through the Chairman's Statement disclosed in the Annual Report. The Directors' Responsibility Statement for the Audited Financial Statements of the Company and the Group is set out below. The quarterly results announcements also reflect the Board's commitment to give regular updated assessments on the Company's and the Group's performance.

Internal Control

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. Details of the Group's internal control system are set out in the Statement on Internal Control on pages 37 and 38 of the Annual Report.

Relationship with Auditors

The Company maintains a professional and transparent relationship with the internal auditors in seeking their professional advice on the Group's system of internal controls and with the external auditors in ensuring compliance with the accounting standards. The Audit Committee has explicit authority to communicate directly with internal and external auditors.

Further details on the Audit Committee in relation to the external auditors are set out in the Audit Committee Report on pages 27 to 29 of the Annual Report.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company has complied with the best practices of the Code throughout the financial year ended May 31, 2012 and implemented the enterprise risk management system at various subsidiary companies. For the financial year under review, the Board is satisfied that any risks arising from its business operations have been adequately addressed with its existing system of internal control in place. The Board will continuously assess the adequacy of the Group's system of internal control and make improvement and enhancement to the system as and when necessary.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 ("**Act**") to prepare the financial statements for each financial year which give a true and fair view of the financial position of the Company and of the Group and the financial performance and cash flows for that year. The Directors consider that in preparing the financial statements for the financial year ended May 31, 2012, the Group has adopted applicable approved Financial Reporting Standards in Malaysia, which are consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Company and of the Group to enable them to ensure that the financial statements are drawn up in accordance with the provisions of the Act. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Additional Compliance Information

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Appendix 9C thereto.

1. Utilisation of Proceeds Raised from Corporate Proposals

The Company did not raise any funds from any corporate proposals during the financial year.

2. Share Buy-Back

There was no share buy-back during the financial year.

3. Options, Warrants or Convertible Securities

The details of options and warrants issued during the financial year are disclosed in the Directors' Report and Note 31 to the financial statements.

4. Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year.

5. Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiary companies, Directors or management by the relevant regulatory bodies during the financial year.

6. Non-Audit Fees

The details of the statutory audit and non-audit fees paid/payable to the external auditors in the year ended May 31, 2012, are disclosed in Note 8 to the financial statements.

7. Variation in Results

There was no variance between the financial results in the Audited Financial Statements 2012 and the unaudited financial results for the year ended May 31, 2012, previously released.

8. Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

9. Material Contracts

There was no material contract which has been entered into by the Group, involving the Directors' and major shareholders' interests, entered into since the end of the previous financial year and at the end of the financial year.

10. Revaluation Policy on Landed Properties

The Group has carried out a revaluation on its investment properties in 2010 to determine the fair value of these assets as required by FRS 117.

Revaluations are performed on the Group's land and buildings with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. The Group had carried out a revaluation on its land and buildings in 2010 to comply with its revaluation policy however no revision was made to the carrying amount as the market values of the land and buildings did not differ materially from their carrying amount.

Statement on Internal Control

INTRODUCTION

The Board of Directors of Spritzer Bhd ("**Board**") is pleased to provide the following Statement on Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"). The Board is committed towards fulfilling its responsibility on the Group's compliance with the Principles and Best Practices provisions in relation to internal controls as stipulated in the Malaysian Code on Corporate Governance.

BOARD RESPONSIBILITIES

The Board acknowledges the importance in maintaining sound internal controls and effective risk management practices to ensure good corporate governance. The Board affirms its overall responsibility for the Group's system of internal control 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.

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 manage and 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.

RISK MANAGEMENT FRAMEWORK

The Group recognises that effective Risk Management is an integral part of Corporate Governance and continuously strives for excellence to ensure effective and systematic protection of its personnel, assets and stakeholders. The effectiveness of the risk management is monitored and evaluated by all levels of management on an ongoing basis. The Group's Enterprise Risk Management ("**ERM**") Framework provides for regular review and reporting. The reports include an assessment of the degree of risk, and an evaluation of the effectiveness of the risk mitigating and treatment measures. Such reports are compiled by the Risk Assessor.

The Risk Management Advisory Committee will provide direction and counsel to the risk management process as well as involves in the evaluation of the structure for the Group's risk management processes and support system. In addition, it will review and approve actions developed to mitigate key risks and advising the Board on risk related issues.

A summary of significant risks is submitted to the Audit Committee for its attention. The Audit Committee will review and monitor the effectiveness of the Group's risk management system, and advises the Board accordingly.

The risk management programme has served the Group with structured, consistent approaches and methodologies in responding to the uncertainties in its operating environment. This warrants the strategic and rapid response by the management to impede the impact on its key risks in order to achieve the Group's business objectives.

INTERNAL AUDIT FUNCTION

The Group's engages an independent Internal Audit Team to conduct scheduled internal audit visits to business units, and carries out its functions in monitoring the effective application of policies, procedures and activities related to internal controls, risk management and governance processes. There is an audit charter in place that defines the organisation status, functions and responsibilities of the Internal Audit.

CONTROL ACTIVITIES

The Group has in place policies and procedures in key business processes and support functions which include financial reporting, procurement and information systems. Policies and procedures are also established relating to delegation of authority and segregation of duties.

Annual operating budgets are prepared by the Group's business and operating units, and are approved by the senior management. The review of budgeted against actual performance are performed on a quarterly basis where significant variances will be investigated and necessary remedial actions will be taken.

INFORMATION AND COMMUNICATIONS

Monthly as well as quarterly management reports and other relevant financial information containing key financial results, ratio analysis and operational performance indicators are submitted to the management and the Board on a timely basis for review.

MONITORING

Board meetings are held at least on a quarterly basis where the Board is kept up-to-date on significant changes in the business and the external environment in which the Group operates and also to review the performance of the Group.

The Group's management team comprising executive directors and departmental heads carry out periodic meetings with agendas on matters for discussion and communicates regularly to monitor operational and financial performance as well as to formulate action plans to address areas of concern.

The independent Internal Audit Team reports to the Audit Committee on the findings of the audit, including risk and control matters of significance that could adversely affect the Group's financial position or reputation. The internal audit function will provide the Board with an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system in anticipating potential risk exposures over key business processes and in controlling the proper conduct of business within the Group.

REVIEW OF EFFECTIVENESS

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.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement on Internal Control has been reviewed and affirmed by the External Auditors for inclusion in the Annual Report of the Group for the financial year ended May 31, 2012, in accordance with the Recommended Practice Guide 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

CONCLUSION

After due and careful assessment and based on the information and assurance provided, the Board is satisfied that there were no material or significant losses incurred during the financial year as a result of deficiencies in internal control that would require separate disclosure in this Annual Report.

Nevertheless, The Board will continue to ensure that the Group's system of internal control is able to constantly adapt and prevail in its changing and challenging business environment.

REPORTS AND FINANCIAL STATEMENTS

Directors' Report

The directors of **SPRITZER BHD.** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended May 31, 2012.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit for the year attributable to owners of the Company	10,586	6,425

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A first and final dividend of 2.5 sen per share, tax-exempt, proposed in respect of ordinary shares in the previous financial year and dealt with the previous directors' report was paid by the Company during the current financial year.

The directors have proposed a first and final dividend of 3.0 sen per share, tax-exempt, in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

TREASURY SHARES

There was no repurchase of its own shares from the open market by the Company during the financial year. As of May 31, 2012, the Company held a total of 24,000 out of its 130,658,666 issued ordinary share capital as treasury shares. Such treasury shares are being held at a carrying amount of RM13,832 and further relevant details are disclosed in Note 23 (b) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

Under the Company's Employees' Share Option Scheme ("ESOS"), which has been approved at an Extraordinary General Meeting held on November 24, 2011, options to subscribe for new ordinary shares of RM0.50 each in the Company were granted to eligible person who includes directors and employees of the Group and of the Company.

The salient features of the ESOS are disclosed in Note 31 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders, who have been granted options under the ESOS for less than 75,000 ordinary shares each.

The details of share options granted to eligible employees other than the Executive Directors and Non-Executive Directors are disclosed in Note 31 to the financial statements.

WARRANTS

On December 14, 2011, a total of 32,658,666 free Warrants have been issued and allotted to the shareholders pursuant to the Bonus Issue of 1 free Warrant for every 4 existing ordinary shares of RM0.50 each ("Share") held on December 13, 2011. The Warrants were granted listing and quotation on the Main Board of Bursa Malaysia Securites Berhad on December 20, 2011.

Each Warrant carries the entitlement to subscribe for one (1) new Share at the exercise price of RM1.18 at any time during the exercise period up to the date of expiry on December 13, 2016, subject to the adjustments in accordance with the provisions of the Deed Poll dated November 30, 2011, constituting the Warrants. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.

The new Shares to be issued arising from the exercise of Warrants shall, upon allotment and issuance, rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other form of distribution ("Distribution") that may be declared, made or paid for which the entitlement date for the Distribution precedes the date of allotment and issuance of the new Shares arising from the exercise of Warrants.

As of the end of the reporting period, the entire allotted Warrants remained unexercised.

OTHER FINANCIAL INFORMATION

Before the income statements and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

OTHER FINANCIAL INFORMATION (CONT'D)

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made other than those disclosed in Note 36 to the financial statements.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP
Y. Bhg. Dato' Lim Kok Boon, DPMP
Dr. Chuah Chaw Teo
Mr. Lam Sang
Mr. Chok Hooa @ Chok Yin Fatt, PMP
Y. Bhg. Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP
Y.B. Mohd Adhan bin Kechik, SMK
Mr. Kuan Khian Leng

In accordance with Article 85 of the Company's Articles of Association Y. Bhg. Dato' Lim Kok Boon, DPMP, Mr. Lam Sang and Y.B. Mohd Adhan bin Kechik, SMK retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.50 each			
	Balance as of 1.6.2011	Bought	Sold	Balance as of 31.5.2012
Registered in the name of directors				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP	6,328,766	74,600	-	6,403,366

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares of RM0.50 each			
	Balance as of 1.6.2011	Bought	Sold	Balance as of 31.5.2012
Registered in the name of directors (Cont'd)				
Y. Bhg. Dato' Lim Kok Boon, DPMP	5,100,000	-	-	5,100,000
Dr. Chuah Chaw Teo	138,666	-	-	138,666
Mr. Lam Sang	2,418,866	30,000	-	2,448,866
Mr. Chok Hooa @ Chok Yin Fatt, PMP	146,000	-	-	146,000
Y. Bhg. Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP	1,350,000	-	-	1,350,000
Y.B. Mohd Adhan bin Kechik, SMK	3,661,332	-	-	3,661,332
Deemed interest by virtue of shares held by companies in which the directors have interests				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP	65,968,176	-	-	65,968,176
Y. Bhg. Dato' Lim Kok Boon, DPMP	4,664,000	-	-	4,664,000
Mr. Kuan Khian Leng	4,800,000	-	-	4,800,000
Deemed interest by virtue of shares held by immediate family members of the directors				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP	1,955,598	-	-	1,955,598
Y. Bhg. Dato' Lim Kok Boon, DPMP	238,998	-	-	238,998

	Number of Warrants			
	Balance as of 1.6.2011	Bonus issue	Sold	Balance as of 31.5.2012
Warrants in the Company				
Registered in the name of directors				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP	-	1,600,841	-	1,600,841
Y. Bhg. Dato' Lim Kok Boon, DPMP	-	1,275,000	-	1,275,000
Dr. Chuah Chaw Teo	-	34,666	-	34,666
Mr. Lam Sang	-	604,716	-	604,716
Mr. Chok Hooa @ Chok Yin Fatt, PMP	-	36,500	-	36,500
Y. Bhg. Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP	-	337,500	-	337,500
Y.B. Mohd Adhan bin Kechik, SMK	-	915,333	-	915,333
Deemed interest by virtue of shares held by companies in which the directors have interests				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP	-	16,492,518	-	16,492,518
Y. Bhg. Dato' Lim Kok Boon, DPMP	-	1,166,000	-	1,166,000
Mr. Kuan Khian Leng	-	1,200,000	-	1,200,000
Deemed interest by virtue of shares held by immediate family members of the directors				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP	-	488,899	-	488,899
Y. Bhg. Dato' Lim Kok Boon, DPMP	-	59,749	-	59,749

DIRECTORS' INTERESTS (CONT'D)

	Number of options over ordinary shares of RM0.50 each			
	Balance as of 1.6.2011	**Granted**	**Exercised**	**Balance as of 31.5.2012**
Share options of the Company				
Registered in the name of directors				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP	-	137,000	-	137,000
Y. Bhg. Dato' Lim Kok Boon, DPMP	-	200,000	-	200,000
Dr. Chuah Chaw Teo	-	175,000	-	175,000
Mr. Lam Sang	-	175,000	-	175,000
Mr. Chok Hooa @ Chok Yin Fatt, PMP	-	100,000	-	100,000

By virtue of Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP's interest in the shares of the Company, he is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has interest.

The share options of Y. Bhg. Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP, Y.B. Mohd Adhan bin Kechik, SMK and Mr. Kuan Khian Leng are not disclosed above as the options allocated are less than 75,000 ordinary shares each.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of remuneration received or due and receivable by directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain directors of the Company are also directors and/or shareholders as disclosed in Note 20 to the financial statements.

During and at the end of the financial year, no arrangement (other than the share options granted to the directors pursuant to the ESOS of the Company) subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

Y. BHG. DATO' LIM KOK BOON, DPMP
Managing Director

DR. CHUAH CHAW TEO
Executive Director

Ipoh,
September 10, 2012

Independent Auditors' Report

To the Members of Spritzer Bhd.

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Spritzer Bhd., which comprise the statements of financial position of the Group and of the Company as of May 31, 2012 and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 112.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected, depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of May 31, 2012 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditors' report of the subsidiary, of which we have not acted as auditors, as mentioned in Note 15 to the financial statements, being accounts that have been included in the financial statements of the Group;

(c) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) the auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 38 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report. The financial statements of the Company as of May 31, 2011 were audited by another firm of auditors whose report dated September 9, 2011 expressed an unqualified opinion.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

YEOH SIEW MING
Partner - 2421/05/13(J/PH)
Chartered Accountant

September 10, 2012

Income Statements

For the year ended May 31, 2012

	Note	The Group 2012 RM'000	The Group 2011 RM'000	The Company 2012 RM'000	The Company 2011 RM'000
Revenue	5	**178,208**	147,682	**7,540**	3,785
Investment revenue	7	**98**	112	**-**	-
Other gains and losses	8	**827**	839	**-**	-
Changes in inventories of finished goods, trading merchandise and work-in-progress		**1,213**	595	**-**	-
Purchase of finished goods and trading merchandise		**(28)**	(34)	**-**	-
Raw materials and consumables used		**(86,708)**	(70,862)	**-**	-
Directors' remuneration	9	**(1,806)**	(1,353)	**(277)**	(147)
Employee benefits expense	8	**(17,565)**	(15,797)	**-**	-
Depreciation of property, plant and equipment	13	**(10,952)**	(8,537)	**-**	-
Finance costs	10	**(4,684)**	(3,747)	**-**	-
Other expenses	8	**(44,352)**	(38,732)	**(222)**	(116)
Profit before tax		**14,251**	10,166	**7,041**	3,522
Income tax expense	11	**(3,665)**	(2,068)	**(616)**	(10)
Profit for the year attributable to owners of the Company		**10,586**	8,098	**6,425**	3,512
Earnings per share					
Basic (sen)	12	**8.1**	6.2		
Diluted (sen)	12	**8.1**	6.2		

The accompanying notes form an integral part of the financial statements.

Statements of Comprehensive Income

For the year ended May 31, 2012

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the year	**10,586**	8,098	**6,425**	3,512
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income attributable to owners of the Company	**10,586**	8,098	**6,425**	3,512

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

As of May 31, 2012

	Note	The Group 2012 RM'000	The Group 2011 RM'000	The Company 2012 RM'000	The Company 2011 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**184,180**	183,087	**-**	-
Investment properties	14	**3,594**	3,594	**-**	-
Investments in subsidiary companies	15	**-**	-	**67,482**	66,567
Goodwill on consolidation	16	**40**	40	**-**	-
Other receivables	19	**589**	939	**-**	-
Total non-current assets		**188,403**	187,660	**67,482**	66,567
Current assets					
Other investments	17	**68**	90	**-**	-
Inventories	18	**20,980**	19,158	**-**	-
Trade and other receivables	19	**51,211**	43,778	**24,446**	21,564
Current tax assets	11	**736**	700	**195**	135
Other assets	21	**1,980**	4,173	**2**	1
Cash and bank balances	22	**8,704**	9,371	**1,445**	50
Total current assets		**83,679**	77,270	**26,088**	21,750
TOTAL ASSETS		**272,082**	264,930	**93,570**	88,317
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	23	**65,329**	65,329	**65,329**	65,329
Treasury shares	23	**(14)**	(14)	**(14)**	(14)
Reserves	24	**84,892**	76,736	**26,869**	22,874
TOTAL EQUITY		**150,207**	142,051	**92,184**	88,189
Non-current liabilities					
Hire-purchase payables	25	**11,912**	14,517	**-**	-
Borrowings	26	**24,317**	31,861	**-**	-
Deferred tax liabilities	27	**14,179**	11,659	**-**	-
Total non-current liabilities		**50,408**	58,037	**-**	-
Current liabilities					
Trade and other payables	28	**14,504**	13,703	**1,241**	1
Hire-purchase payables	25	**5,475**	4,900	**-**	-
Borrowings	26	**47,913**	42,312	**-**	-
Current tax liabilities	11	**107**	6	**-**	-
Other liabilities	29	**3,468**	3,921	**145**	127
Total current liabilities		**71,467**	64,842	**1,386**	128
Total liabilities		**121,875**	122,879	**1,386**	128
TOTAL EQUITY AND LIABILITIES		**272,082**	264,930	**93,570**	88,317

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

For the year ended May 31, 2012

		Attributable to Owners of the Company						
				Non-distributable Reserves				
The Group	**Note**	**Share Capital RM'000**	**Treasury Shares RM'000**	**Share Premium RM'000**	**Equity - Settled Employee Benefits Reserve RM'000**	**Revaluation Reserve RM'000**	**Distributable Reserve - Retained Earnings RM'000**	**Total Equity RM'000**
Balance as of June 1, 2010		65,329	(14)	16,549	-	5,732	49,623	137,219
Profit and total comprehensive income for the year		-	-	-	-	-	8,098	8,098
Payment of dividend	**30**	-	-	-	-	-	(3,266)	(3,266)
Balance as of May 31, 2011		65,329	(14)	16,549	-	5,732	54,455	142,051
Profit and total comprehensive income for the year		-	-	-	-	-	10,586	10,586
Recognition of share-based payments		-	-	-	1,037	-	-	1,037
Expenses relating to issuance of Warrants and ESOS		-	-	(201)	-	-	-	(201)
Payment of dividend	**30**	-	-	-	-	-	(3,266)	(3,266)
Balance as of May 31, 2012		**65,329**	**(14)**	**16,348**	**1,037**	**5,732**	**61,775**	**150,207**

The accompanying notes form an integral part of the financial statements.

The Company	Note	Share Capital RM'000	Treasury Shares RM'000	Non-distributable Reserves Share Premium RM'000	Equity - Settled Employee Benefits Reserve RM'000	Distributable Reserve - Retained Earnings RM'000	Total Equity RM'000
Balance as of June 1, 2010		65,329	(14)	16,549	-	6,079	87,943
Profit and total comprehensive income for the year		-	-	-	-	3,512	3,512
Payment of dividend	**30**	-	-	-	-	(3,266)	(3,266)
Balance as of May 31, 2011		65,329	(14)	16,549	-	6,325	88,189
Profit and total comprehensive income for the year		-	-	-	-	6,425	6,425
Recognition of share-based payments		-	-	-	1,037	-	1,037
Expenses relating to issuance of Warrants and ESOS		-	-	(201)	-	-	(201)
Payment of dividend	**30**	-	-	-	-	(3,266)	(3,266)
Balance as of May 31, 2012		**65,329**	**(14)**	**16,348**	**1,037**	**9,484**	**92,184**

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the year ended May 31, 2012

	The Group	
	2012	2011
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit for the year	**10,586**	8,098
Adjustments for:		
Depreciation of property, plant and equipment	**10,961**	8,546
Finance costs	**4,684**	3,747
Income tax expense recognised in income statements	**3,665**	2,068
Equity-settled share-based payments	**1,037**	-
Impairment loss recognised on receivables	**156**	156
Allowance for slow moving and obsolete inventories	**35**	-
Property, plant and equipment written off	**34**	634
Receivables written off	**4**	34
Reversal of impairment loss on receivables	**(135)**	(313)
Allowance for slow moving and obsolete inventories no longer required	**(111)**	(31)
Investment revenue recognised in income statements	**(98)**	(112)
(Gain)/Loss on disposal of property, plant and equipment	**(46)**	43
Unrealised gain on foreign exchange	**(6)**	(13)
Interest income	**(1)**	-
	30,765	22,857
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	**(1,746)**	(2,335)
Trade and other receivables	**(7,108)**	14,882
Other assets	**2,193**	5,195
Increase/(Decrease) in:		
Trade and other payables	**801**	(12,505)
Other liabilities	**(453)**	1,088
Cash Generated From Operations	**24,452**	29,182
Income tax refunded	**450**	94
Income tax paid	**(1,530)**	(1,628)
Interest received	**1**	-
Net Cash Generated From Operating Activities	**23,373**	27,648

The accompanying notes form an integral part of the financial statements.

	Note	The Group 2012 RM'000	The Group 2011 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		**348**	100
Rental received		**72**	72
Interest received		**26**	40
Capital refund from investment in unquoted shares		**22**	60
Purchase of property, plant and equipment	33(a)	**(8,950)**	(19,511)
Net Cash Used In Investing Activities		**(8,482)**	(19,239)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from/(Repayment of) bankers' acceptances - net		**5,356**	(908)
Proceeds from revolving credit - net		**1,050**	9,250
Repayment of term loans - net		**(7,774)**	(6,735)
Repayment of hire-purchase payables		**(5,470)**	(2,620)
Finance costs paid		**(4,684)**	(3,747)
Dividend paid		**(3,266)**	(3,266)
Expenses relating to issuance of Warrants and ESOS paid		**(201)**	-
Net Cash Used In Financing Activities		**(14,989)**	(8,026)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(98)**	383
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**8,479**	8,096
Effect of exchange rate changes on the balance of cash held in foreign currencies		**6**	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	33(b)	**8,387**	8,479

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows
For the year ended May 31, 2012

	Note	The Company 2012 RM'000	The Company 2011 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		**6,425**	3,512
Adjustments for:			
Income tax expense recognised in income statement		**616**	10
Equity-settled share-based payments		**121**	-
Dividend income		**(7,540)**	(3,785)
		(378)	(263)
Movements in working capital:			
(Increase)/Decrease in:			
Other receivables		**518**	3,466
Other assets		**(1)**	9
Increase/(Decrease) in:			
Other payables		**1,240**	(3)
Other liabilities		**18**	4
Cash Generated From Operations		**1,397**	3,213
Dividend received from subsidiary companies		**3,465**	-
Income tax refunded		**-**	90
Net Cash Generated From Operating Activities		**4,862**	3,303
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividend paid		**(3,266)**	(3,266)
Expenses relating to issuance of Warrants and ESOS paid		**(201)**	-
Net Cash Used In Financing Activities		**(3,467)**	(3,266)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,395**	37
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**50**	13
CASH AND CASH EQUIVALENTS AT END OF YEAR	**33(b)**	**1,445**	50

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 15.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at Lot 898, Jalan Reservoir, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Group’s and the Company’s functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on September 10, 2012.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS (“FRSs”)

The financial statements of the Group and of the Company have been prepared in accordance with FRSs and the provisions of the Companies Act, 1965 in Malaysia.

Adoption of new and revised FRSs and IC Interpretations (“IC Int.”)

During the financial year, the Group and the Company adopted all new and revised FRSs and IC Int. issued by the Malaysian Accounting Standards Board (“MASB”) that are relevant to their operations and effective for accounting periods beginning on or after July 1, 2010. The adoption of these new and revised FRSs and IC Int. have not resulted in material changes to the Group’s and the Company’s accounting policies.

On November 19, 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) on January 1, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after January 1, 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate* are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also includes those entities that consolidates, equity accounts or proportionately consolidates an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2012. However, on June 30, 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus, Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2013. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after January 1, 2014.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (CONT'D)

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") in their financial statements for the financial year ending May 31, 2013, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and the Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below:

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Company owns, directly or indirectly through subsidiary companies, more than one half of the voting rights of the said company.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with those used by other members of the Group.

All significant intragroup transactions, balances and income and expenses are eliminated in full on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Business Combinations

The acquisitions of subsidiary companies are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 Business Combinations are recognised at their fair values at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable net of sales tax, trade discounts and customer returns.

Sale of goods

Revenue from sale of goods is recognised when the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend income

Dividend income represents gross dividends from unquoted investments and is recognised when the shareholder's rights to receive payment is established.

Interest income

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income is accrued on a time basis, by reference to the agreements entered.

Employee Benefits

Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

The Group makes statutory contributions to approved provident funds and the contributions are charged to income statements as incurred. The approved provident funds are defined contribution plans. Once the contributions have been paid, there are no further payment obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee Benefits (Cont'd)

Share-based compensation benefits

The Company operates an equity-settled, share-based compensation plan, where shares and/or options are issued by the Company to eligible directors and employees of the Group and of the Company. The fair value of the employee services received in exchange for the grant of the shares and/or options is recognised as an expense with a corresponding entry to reserves over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and/or options granted at the grant date and the number of shares and/or options vested by vesting date, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the estimates of the number of the options that are expected to become exercisable. The grant of options by the Company over its equity instruments to the directors and employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Foreign Currencies

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and also the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in income statements in the year in which they arise except for exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get them ready for their intended use, are capitalised and included as part of the cost of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (Cont'd)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability of the Group and of the Company for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The tax effects of unutilised reinvestment allowance are only recognised upon actual realisation.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in income statements, except when they relate to items that are recognised outside income statements (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside income statements, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the interest of the acquirer in the net fair value of the identifiable assets, liabilities and contingent liabilities over cost of the acquiree.

Property, Plant and Equipment

Certain freehold and leasehold land, buildings and staff quarters are stated in statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (Cont'd)

Any revaluation increase arising on the revaluation of such land, buildings and staff quarters is credited to property revaluation reserve except to the extent that it reverses a revaluation decrease for the same asset previously recognised in income statements, in which case the increase is credited to income statements to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land, buildings and staff quarters is charged to income statements to the extent that it exceeds the balance, if any, held in property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and staff quarters are charged to income statements. On subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in property revaluation reserve is transferred directly to retained earnings. No transfer is made from property revaluation reserve to retained earnings except when the asset is derecognised.

Factory extension, plant and machinery, motor vehicles, furniture, fixtures and equipment, electrical installation, and hot/cold water dispensers are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and capital work-in-progress are not depreciated. Capital work-in-progress comprises machinery under installation. Depreciation on assets under work-in-progress commences when the assets are ready for their intended use.

Leasehold land is amortised over the lease period of 77 to 82 years. Depreciation of other property, plant and equipment is computed on the reducing balance method to write off the cost of the various property, plant and equipment over their estimated useful lives at the following annual rates:

Buildings and factory extension	2% to 5%
Staff quarters	2% to 10%
Plant and machinery	5% to 10%
Motor vehicles	20%
Furniture, fixtures and equipment	5% to 10%
Electrical installation	10%
Hot/cold water dispensers	10%

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income statements.

Property, Plant and Equipment Under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire-purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum hire-purchase payments of the assets at the inception of the respective arrangements.

Finance costs, which represent the differences between the total hire-purchase commitments and the fair values of the assets acquired, are charged to income statements over the term of the relevant hire-purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases, other than leasehold properties classified as investment property, are classified as operating leases. Property interest held under an operating lease to earn rentals or for capital appreciation or both is classified as investment property.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statements, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at fair value. Fair value is arrived by reference to market evidence of transaction prices for similar properties. Gain or loss arising from changes in the fair values of investment properties are recognised in income statements in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Gain or loss on the retirement or disposal of an investment property is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income statements in the year in which the retirement or disposal arise.

Investment in Subsidiaries

Investment in subsidiaries is stated in the Company's financial statements at cost less accumulated impairment losses, if any.

Goodwill

Goodwill acquired in a business combination is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill arising on consolidation represents the excess of cost of business combination over the interest of the Group in the net fair values of the identifiable assets, liabilities and contingent liabilities recognised of the acquiree at the date of the combination.

Goodwill is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill (Cont'd)

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units of the Group expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in the consolidated income statements and any impairment loss recognised for goodwill is not subsequently reversed.

On disposal of an entity or operation, the goodwill associated with the entity or operation disposed of is included in the carrying amount of the entity or operation when determining the gain or loss on disposal.

Any excess of the interest of the Group in the net fair values of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition (previously known as negative goodwill) is reassessed and is recognised immediate in income statements.

Impairment of Assets excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their assets (other than inventories, financial assets and investment properties which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. A reversal is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined principally on the "First-in, First-out" and "Weighted Average" methods. Cost of raw materials, trading merchandise, packing materials, spare parts and goods-in-transit comprise the original purchase price plus cost incurred in bringing the inventories to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling and distribution expenses.

Research and Development Costs

Research costs relating to the original and planned investigation undertaken with the prospect of gaining new technical knowledge and understanding, are recognised as an expense when incurred.

Development costs represent costs incurred in the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems, or services prior to the commencement of commercial production or use. Development costs are charged to income statements in the year in which it is incurred except where a clearly-defined project is undertaken and it is probable that the development costs will give rise to future economic benefits. Such development costs are recognised as an intangible asset and amortised on a straight-line method over the life of the project from the date of commencement of commercial operation, which is on average five years.

Treasury shares

Shares repurchased by the Company are held as treasury shares, and are stated at the cost of repurchases, including directly attributable costs.

Financial Instruments

Financial instruments are recognised in statement of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets and financial liabilities classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payment (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Effective interest method (Cont'd)

Income and expense is recognised on an effective interest basis for debt instruments other than those financial assets or financial liabilities classified as at FVTPL.

(a) Financial assets

Financial assets of the Group and of the Company are classified into 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. All AFS financial assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in comprehensive income and accumulated in the investment revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in income statements. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to income statements.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in income statements when the Group's and the Company's right to receive the dividends is established.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (Cont'd)

(iii) Impairment of financial assets (Cont'd)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

AFS investments are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the AFS investments, the estimated future cash flows of the investments have been affected. For unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the investments below their costs is considered to be objective evidence of impairment. When an AFS investment is considered to be impaired, cumulative gains or losses previously recognised in equity are reclassified to income statements even though the investment has not been derecognised. Impairment losses of AFS investments previously recognised in income statements are not reversed through the income statements. Any increase in fair value subsequent to an impairment loss is recognised in investment revaluation reserve.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are debited against the allowance account. Changes in the carrying amount of the allowance account are recognised in income statements.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through income statements to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iv) Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial liabilities and equity instruments (Cont'd)

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

(iii) Financial liabilities

Financial liabilities of the Group and the Company are classified into "other financial liabilities" category.

(iv) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(v) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire.

Statement of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents consists of cash and bank balances, deposits with licensed banks, bank overdrafts and highly liquid investments which are readily convertible to cash with insignificant risks of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies of the Group and of the Company, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Estimated Useful Lives of Property, Plant and Equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

(b) Recoverability of Receivables

The Group makes allowance for doubtful receivables based on an assessment of the recoverability of trade and other receivables. An allowance is established for trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

(c) Allowance for Slow Moving and Obsolete Inventories

The Group makes allowance for slow moving and obsolete inventories based on an assessment of the recoverability of the inventories through sales and recycling for alternative uses. Allowance is applied to inventories where events or changes in circumstances indicate that the costs may not be recoverable.

The identification of slow moving and obsolete inventories requires use of judgment and estimates.

Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories and slow moving inventories expenses in the period in which such estimate has been changed.

5. REVENUE

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sale of goods	**178,208**	147,682	**-**	-
Dividend income from subsidiary companies	**-**	-	**7,540**	3,785
	178,208	147,682	**7,540**	3,785

6. SEGMENT REPORTING

Information reported to the chief operating decision maker and senior management of the Group for the purpose of resources allocation and assessment of performance focuses on the business operations of the Group.

The Group is organised into the following operating divisions:

- manufacturing (includes production of natural mineral water, carbonated flavoured water, distilled water, drinking water, non-carbonated flavoured water, PET preforms, PET bottles, caps and toothbrushes)
- trading (includes sale of bottled water and other consumer products)
- others (investment and properties holding)

Inter-segment sales are charged at cost plus a percentage of profit mark-up.

The Group 2012	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	165,177	13,031	-	-	178,208
Inter-segment sales	43,187	13	7,540	(50,740)	-
Total revenue	208,364	13,044	7,540	(50,740)	178,208
Results					
Segment results	18,808	548	7,041	(7,560)	18,837
Finance costs					(4,684)
Investment revenue					98
Profit before tax					14,251
Income tax expense					(3,665)
Profit for the year					10,586
Other information					
Capital additions	12,254	136	-	-	12,390
Depreciation and amortisation charges	10,905	56	-	-	10,961
Assets					
Segment assets	273,225	4,101	96,969	(102,949)	271,346
Unallocated segment assets					736
Consolidated Total Assets					272,082
Liabilities					
Segment liabilities	50,843	1,080	1,386	(35,337)	17,972
Unallocated segment liabilities					103,903
Consolidated Total Liabilities					121,875

6. SEGMENT REPORTING (CONT'D)

The Group 2011	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	132,430	15,252	-	-	147,682
Inter-segment sales	45,738	-	3,785	(49,523)	-
Total revenue	178,168	15,252	3,785	(49,523)	147,682
Results					
Segment results	13,631	416	3,519	(3,765)	13,801
Finance costs					(3,747)
Investment revenue					112
Profit before tax					10,166
Income tax expense					(2,068)
Profit for the year					8,098
Other information					
Capital additions	38,126	28	-	-	38,154
Depreciation and amortisation charges	8,495	51	-	-	8,546
Assets					
Segment assets	264,758	6,360	92,371	(99,259)	264,230
Unallocated segment assets					700
Consolidated Total Assets					264,930
Liabilities					
Segment liabilities	47,900	1,762	543	(32,581)	17,624
Unallocated segment liabilities					105,255
Consolidated Total Liabilities					122,879

Geographical segments

Information on the Group's operations and analysis of the carrying amounts of segment assets and capital additions by geographical segment has not been provided as the Group operates principally in Malaysia.

The Group's analysis of the segment revenue from external customers by geographical area based on the geographical location of its customers has not been provided as the export sales of the Group is less than 10% of its total revenue.

7. INVESTMENT REVENUE

	The Group	
	2012 RM'000	2011 RM'000
Interest income from short-term deposits	**26**	40
Rental income from investment properties	**72**	72
	98	112

The following is an analysis of investment revenue earned on financial assets by category of assets:

	The Group	
	2012 RM'000	2011 RM'000
Loans and receivables	**26**	40
Investment income earned on non-financial assets	**72**	72
	98	112

8. OTHER GAINS AND LOSSES, OTHER EXPENSES AND EMPLOYEE BENEFITS EXPENSE

Included in other gains and losses and other expenses are the following:

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Rental income:				
Motor vehicles	**166**	151	**-**	-
Land and premises	**12**	51	**-**	-
Hot and cold water dispensers	**6**	7	**-**	-
Reversal of impairment loss on receivables	**135**	313	**-**	-
Allowance for slow moving and obsolete inventories no longer required	**111**	31	**-**	-
Gain/(Loss) on disposal of property, plant and equipment	**46**	(43)	**-**	-
Realised gain on foreign exchange	**8**	38	**-**	-
Unrealised gain on foreign exchange	**6**	13	**-**	-
Interest income	**1**	-	**-**	-
Rental of plant and equipment	**(248)**	(99)	**-**	-
Research and development expenditure	**(196)**	(91)	**-**	-
Impairment loss recognised on receivables	**(156)**	(156)	**-**	-
Auditors' remuneration:				
Statutory audit:				
Current year	**(138)**	(96)	**(30)**	(21)
Prior year	**(5)**	6	**-**	-
Others	**-**	(6)	**-**	-

8. OTHER GAINS AND LOSSES, OTHER EXPENSES AND EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in other gains and losses and other expenses are the following: (Cont'd)

	The Group		The Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Allowance for slow moving and obsolete inventories	**(35)**	-	-	-
Property, plant and equipment written off	**(34)**	(634)	-	-
Receivables written off	**(4)**	(34)	-	-
Realised loss on foreign exchange	-	(52)	-	-

Included in employee benefits expense are the following:

	The Group	
	2012	2011
	RM'000	RM'000
Contributions to Employees' Provident Fund ("EPF")	**1,249**	1,178
Equity-settled share-based payments	**787**	-
Rental of hostel	**72**	64

Included in research and development expenses are the following:

	The Group	
	2012	2011
	RM'000	RM'000
Employee benefits expense	**144**	144
Depreciation of property, plant and equipment	**9**	9

9. DIRECTORS' REMUNERATION

	The Group		The Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Directors of the Company:				
Fees	**167**	149	**115**	107
Equity-settled share-based payments	**250**	-	**121**	-
Other emoluments	**1,328**	1,162	**41**	40
	1,745	1,311	**277**	147
Directors of the subsidiary companies:				
Fees	**16**	12	**-**	-
Other emoluments	**45**	30	**-**	-
	61	42	**-**	-
	1,806	1,353	**277**	147

Included in directors' other emoluments are contributions made by the Group to the Employees' Provident Fund of RM100,481 (2011: RM96,390).

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM90,672 (2011: RM52,383).

10. FINANCE COSTS

	The Group	
	2012	2011
	RM'000	RM'000
Interest on:		
Term loans	**1,914**	1,997
Hire-purchase	**986**	571
Bankers' acceptances	**956**	641
Revolving credits	**443**	276
Bank overdrafts	**17**	5
Trust receipts	**10**	-
Onshore foreign currency loan	**4**	-
Total interest expense for financial liabilities not classified as at fair value through profit or loss	**4,330**	3,490
Other finance costs	**354**	257
	4,684	3,747

11. INCOME TAX EXPENSE

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income tax:				
Current year	**1,381**	979	**616**	10
Prior year	**(236)**	47	**-**	-
	1,145	1,026	**616**	10
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	**1,071**	1,047	**-**	-
Relating to crystallisation of deferred tax liability on revaluation surplus	**(33)**	(5)	**-**	-
Underprovision in prior year	**1,482**	-	**-**	-
	2,520	1,042	**-**	-
	3,665	2,068	**616**	10

The Group's and the Company's income tax rate remained at 25% for the year of assessment 2012.

The total income tax expense for the year can be reconciled to the accounting profit as follows:

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before tax	**14,251**	10,166	**7,041**	3,522
Tax at the applicable statutory income tax rate of 25% (2011: 25%)	**3,563**	2,542	**1,760**	881
Tax effects of:				
Expenses that are not deductible in determining taxable profit	**1,034**	798	**66**	19
Loss not available for offset against future income	**1**	-	**-**	-
Utilisation of reinvestment allowances	**(2,151)**	(1,240)	**-**	-
Expenses allowed for double tax deductions	**(28)**	(4)	**-**	-
Income that is not taxable in determining taxable profit	**-**	(75)	**(1,210)**	(890)
Income tax - prior year	**(236)**	47	**-**	-
Deferred tax - prior year	**1,482**	-	**-**	-
Income tax expense recognised in income statements	**3,665**	2,068	**616**	10

As of May 31, 2012, the Company has Section 108 tax credits and tax-exempt account balance of approximately RM435,000 (2011: RM435,000) and RM8,701,000 (2011: RM3,567,000) respectively. The tax-exempt account arising from tax-exempt dividends received from the subsidiary companies is available for distribution as tax-exempt dividends to the shareholders of the Company.

11. INCOME TAX EXPENSE (CONT'D)

As of May 31, 2012, certain subsidiary companies have Section 108 tax credits of approximately RM8,088,000 (2011: RM9,458,000) and tax-exempt accounts balances of RM42,039,000 (2011: RM40,470,000). These tax-exempt accounts arose from the subsidiary companies' claims for abatement of statutory income for exports under Section 37 of the Promotion of Investments Act, 1986, from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and from chargeable income waived in 1999 in accordance with the Income tax (Amendment) Act, 1999. These tax-exempt accounts are available for distribution as tax-exempt dividends to the shareholder of the subsidiary companies.

As of May 31, 2012, the estimated unabsorbed reinvestment allowances of the Group which are available for offset against future taxable income amounted to RM8,766,000 (2011: RM8,102,000). The unabsorbed reinvestment allowances are subject to agreement by the tax authorities.

Current tax assets and liabilities

	The Group		The Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current tax assets				
Tax refund receivable	**736**	700	**195**	135
Current tax liabilities				
Income tax payable	**107**	6	**-**	-

12. EARNINGS PER ORDINARY SHARE

The basic and diluted earnings per ordinary share are calculated as follows:

Basic/Fully Diluted

	The Group	
	2012	2011
Profit for the year attributable to owners of the Company (RM'000)	**10,586**	8,098
Number of ordinary shares in issue as of June 1 ('000)	**130,659**	130,659
Shares repurchased and held as treasury shares ('000)	**(24)**	(24)
Weighted average number of ordinary shares in issue ('000)	**130,635**	130,635
Basic earnings per ordinary share (sen)	**8.1**	6.2

The effects of ESOS and Warrants on fully diluted earnings per ordinary share in the current year have not been presented as the effects would be anti-dilutive to the earnings per ordinary share.

13. PROPERTY, PLANT AND EQUIPMENT

The Group 2012	Cost (except as otherwise stated) At beginning of year RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	At end of year RM'000
Freehold land:						
At valuation	20,720	-	-	-	-	20,720
At cost	29,340	-	-	-	-	29,340
Long-term leasehold land:						
At valuation	4,459	-	-	-	-	4,459
At cost	350	-	-	-	-	350
Buildings:						
At valuation	16,910	-	-	-	-	16,910
At cost	24,790	968	-	-	-	25,758
Factory extension	1,020	1,053	-	-	-	2,073
Staff quarters:						
At valuation	290	-	-	-	-	290
At cost	629	58	-	-	-	687
Plant and machinery	96,745	2,294	-	-	4,247	103,286
Plant and machinery under hire-purchase	28,973	2,216	-	-	(3,380)	27,809
Motor vehicles	6,973	753	(1,028)	-	204	6,902
Motor vehicles under hire-purchase	1,067	2,657	-	-	(204)	3,520
Furniture, fixtures and equipment	11,127	1,389	(3)	(89)	(867)	11,557
Electrical installation	1,200	24	(3)	-	-	1,221
Hot/Cold water dispensers	299	1	-	-	-	300
Capital work-in-progress	25	977	-	-	-	1,002
Total	244,917	12,390	(1,034)	(89)	-	256,184

The Group 2012	Accumulated Depreciation At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	At end of year RM'000
Freehold land:						
At valuation	-	-	-	-	-	-
At cost	-	-	-	-	-	-
Long-term leasehold land:						
At valuation	313	53	-	-	-	366
At cost	27	4	-	-	-	31
Buildings:						
At valuation	1,931	299	-	-	-	2,230
At cost	1,046	477	-	-	-	1,523
Factory extension	122	95	-	-	-	217
Staff quarters:						
At valuation	38	5	-	-	-	43
At cost	67	18	-	-	-	85

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group 2012	Accumulated Depreciation At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	At end of year RM'000
Plant and machinery	**45,733**	**5,280**	**-**	**-**	**1,889**	**52,902**
Plant and machinery under hire-purchase	**2,677**	**2,704**	**-**	**-**	**(1,434)**	**3,947**
Motor vehicles	**4,094**	**637**	**(729)**	**-**	**101**	**4,103**
Motor vehicles under hire-purchase	**317**	**516**	**-**	**-**	**(101)**	**732**
Furniture, fixtures and equipment	**4,736**	**795**	**(1)**	**(55)**	**(455)**	**5,020**
Electrical installation	**620**	**59**	**(2)**	**-**	**-**	**677**
Hot/Cold water dispensers	**109**	**19**	**-**	**-**	**-**	**128**
Capital work-in-progress	**-**	**-**	**-**	**-**	**-**	**-**
Total	**61,830**	**10,961**	**(732)**	**(55)**	**-**	**72,004**

The Group 2011	Cost (except as otherwise stated) At beginning of year RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	At end of year RM'000
Freehold land:						
At valuation	20,720	-	-	-	-	20,720
At cost	29,340	-	-	-	-	29,340
Long-term leasehold land:						
At valuation	4,459	-	-	-	-	4,459
At cost	350	-	-	-	-	350
Buildings:						
At valuation	17,076	-	-	-	(166)	16,910
At cost	24,611	13	-	-	166	24,790
Factory extension	811	209	-	-	-	1,020
Staff quarters:						
At valuation	290	-	-	-	-	290
At cost	455	174	-	-	-	629
Plant and machinery	81,760	17,282	-	(2,336)	39	96,745
Plant and machinery under hire-purchase	7,580	18,179	-	-	3,214	28,973
Motor vehicles	6,577	787	(390)	-	(1)	6,973
Motor vehicles under hire-purchase	789	278	-	-	-	1,067
Furniture, fixtures and equipment	10,255	1,162	(30)	(222)	(38)	11,127
Electrical installation	1,175	25	-	-	-	1,200
Hot/Cold water dispensers	273	27	-	(1)	-	299
Capital work-in-progress	3,221	18	-	-	(3,214)	25
Total	209,742	38,154	(420)	(2,559)	-	244,917

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group 2011	Accumulated Depreciation: At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	At end of year RM'000
Freehold land:						
At valuation	-	-	-	-	-	-
At cost	-	-	-	-	-	-
Long-term leasehold land:						
At valuation	260	53	-	-	-	313
At cost	22	5	-	-	-	27
Buildings:						
At valuation	1,627	306	-	-	(2)	1,931
At cost	560	484	-	-	2	1,046
Factory extension	79	43	-	-	-	122
Staff quarters:						
At valuation	33	5	-	-	-	38
At cost	55	12	-	-	-	67
Plant and machinery	43,126	4,385	-	(1,778)	-	45,733
Plant and machinery under hire-purchase	1,082	1,595	-	-	-	2,677
Motor vehicles	3,710	647	(263)	-	-	4,094
Motor vehicles under hire-purchase	136	181	-	-	-	317
Furniture, fixtures and equipment	4,150	747	(14)	(147)	-	4,736
Electrical installation	557	63	-	-	-	620
Hot/Cold water dispensers	89	20	-	-	-	109
Capital work-in-progress	-	-	-	-	-	-
Total	55,486	8,546	(277)	(1,925)	-	61,830

The Group	Net Book Value 2012 RM'000	2011 RM'000
Freehold land:		
At valuation	**20,720**	20,720
At cost	**29,340**	29,340
Long-term leasehold land:		
At valuation	**4,093**	4,146
At cost	**319**	323
Buildings:		
At valuation	**14,680**	14,979
At cost	**24,235**	23,744
Factory extension	**1,856**	898
Staff quarters:		
At valuation	**247**	252
At cost	**602**	562
Plant and machinery	**50,384**	51,012
Plant and machinery under hire-purchase	**23,862**	26,296
Motor vehicles	**2,799**	2,879
Motor vehicles under hire-purchase	**2,788**	750

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Net Book Value 2012 RM'000	2011 RM'000
Furniture, fixtures and equipment	**6,537**	6,391
Electrical installation	**544**	580
Hot/Cold water dispensers	**172**	190
Capital work-in-progress	**1,002**	25
Total	**184,180**	183,087

During the financial year, depreciation expense is charged to the following items in the income statements:

	The Group 2012 RM'000	2011 RM'000
Depreciation of property, plant and equipment	**10,952**	8,537
Research and development expenses included in other expenses	**9**	9
	10,961	8,546

The freehold and leasehold land, factory buildings and staff quarters of the Group were revalued by the directors in 2010 based on valuation carried out by independent valuers by reference to market evidence of recent transactions for similar properties. The resulting net revaluation surplus of RM1,454,428 was not taken up in the financial statements in 2010 as the directors are of the opinion that the impact on the financial statements is immaterial.

The historical cost, accumulated depreciation and carrying amount of the revalued freehold land, leasehold land, factory buildings and staff quarters as of May 31, 2012 are as follows:

	The Group 2012 RM'000	2011 RM'000
Freehold land, leasehold land, factory buildings and staff quarters:		
Cost	**27,269**	27,269
Accumulated depreciation	**(4,945)**	(4,669)
Carrying amount	**22,324**	22,600

Included in property, plant and equipment of the Group are the following fully depreciated assets which are still in use:

	The Group 2012 RM'000	2011 RM'000
Cost:		
Motor vehicles	**183**	183
Office equipment	**908**	908
	1,091	1,091

14. INVESTMENT PROPERTIES

The Group	At beginning of year RM'000	Additions RM'000	Disposals RM'000	At end of year RM'000
2012				
At fair value				
Freehold land and buildings	**614**	**-**	**-**	**614**
Long-term leasehold land	**1,327**	**-**	**-**	**1,327**
Short-term leasehold land	**345**	**-**	**-**	**345**
Building	**1,229**	**-**	**-**	**1,229**
Renovation	**79**	**-**	**-**	**79**
Total	**3,594**	**-**	**-**	**3,594**
2011				
At fair value				
Freehold land and buildings	614	-	-	614
Long-term leasehold land	1,327	-	-	1,327
Short-term leasehold land	345	-	-	345
Building	1,229	-	-	1,229
Renovation	79	-	-	79
Total	3,594	-	-	3,594

The investment properties of the Group were revalued by the directors in 2010 based on valuation carried out by independent valuers by reference to market evidence of recent transactions for similar property. The resulting revaluation surplus of the investment properties amounting to RM305,759 was not taken up in the financial statements in 2010 as the directors are of the opinion that the impact on the financial statements is immaterial. No valuation was performed in 2012 as there are no material changes in the market value of properties since their valuations in 2010.

As of May 31, 2012, there were no contractual obligations for future repairs and maintenance (2011: Nil).

During the financial year ended May 31, 2012, direct operating expenses incurred relating to the investment properties of the Group are as follows:

	The Group			
	Do not generate rental income		Generate rental income	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Quit rent and assessment	**4**	4	**6**	6
Electricity and water charges	**4**	1	**-**	-
Repair and maintenance	**-**	-	**-**	23

15. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company 2012 RM'000	The Company 2011 RM'000
Unquoted shares, at cost	**67,482**	66,567

The subsidiary companies, all of which were incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest 2012 %	Effective Equity Interest 2011 %	Principal Activities
Chuan Sin Sdn. Bhd.	**100**	100	Production of natural mineral water, carbonated flavoured water, distilled water, drinking water and non-carbonated flavoured water.
Golden PET Industries Sdn. Bhd. *	**100**	100	Manufacturing and sale of preforms, PET bottles, caps, toothbrushes and other plastic products.
Chuan Sin Cactus Sdn. Bhd.	**100**	100	Distribution of bottled water and other consumer products.
PET Master Sdn. Bhd.	**100**	100	Manufacturing and selling of PET preforms.
Angenet Sdn. Bhd.	**100**	100	Manufacturing and selling of bottled water.
Hidro Dinamik Sdn. Bhd.	**100**	100	Dormant.

* The financial statements of this company were examined by auditors other than the auditors of the Company.

16. GOODWILL ON CONSOLIDATION

	The Group 2012 RM'000	The Group 2011 RM'000
At beginning and end of year	**40**	40

16. GOODWILL ON CONSOLIDATION (CONT'D)

Impairment tests for cash-generating units ("CGU") containing goodwill

Carrying amount of goodwill is allocated to Chuan Sin Cactus Sdn. Bhd.'s trading operations.

The recoverable amount of the CGU is determined based on a "value-in-use" calculation. The value-in-use of the CGU was determined by discounting the future cash flows to be generated from continuing use of the CGU. The value-in-use is derived based on the management's cash flow projection for five (5) financial years from 2013 to 2017. The key assumptions used in the value-in-use calculations are as follows:

Sales volume growth rate	5.00% per annum
Discount rate	6.50%

Receivables and payables turnover period is estimated to be consistent with the current financial year.

The above key assumptions were determined based on business past performance and management's expectations of market development.

Based on these calculations, the directors are of the view that no impairment loss is required during the financial year as the recoverable amount is higher than the carrying amount of the CGU.

With regards to the assessment of value-in-use of the CGU, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values of the CGU to materially exceed the recoverable amount.

17. OTHER INVESTMENTS

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Available-for-sale investments carried at fair value:		
Unquoted shares in Malaysia		
At beginning of year	**90**	150
Less: Capital returned	**(22)**	(60)
At end of year	**68**	90

18. INVENTORIES

	The Group	
	2012	2011
	RM'000	RM'000
At cost		
Raw materials	**7,165**	6,473
Finished goods and trading merchandise	**6,040**	4,876
Packing materials	**5,008**	6,007
Spare parts	**2,900**	2,060
Work-in-progress	**686**	640
Goods-in-transit	**3**	-
	21,802	20,056
Less: Allowance for slow moving and obsolete inventories	**(822)**	(898)
Net	**20,980**	19,158
Cost of inventories recognised as an expense	**123,103**	104,999

Movement in allowance for slow moving and obsolete inventories is as follows:

	The Group	
	2012	2011
	RM'000	RM'000
Balance at beginning of year	**898**	929
Additional allowance recognised during the year	**35**	-
Allowance no longer required	**(111)**	(31)
Balance at end of year	**822**	898

19. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Trade receivables	**7,836**	7,538	**-**	-
Less: Allowance for doubtful debts	**(221)**	(203)	**-**	-
	7,615	7,335	**-**	-

19. TRADE AND OTHER RECEIVABLES (CONT'D)

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amount owing by subsidiary companies				
- non-trade (Note 20)	**-**	-	**24,446**	21,564
Amount owing by related parties (Note 20):				
- trade	**43,068**	34,676	**-**	-
- non-trade	**951**	2,020	**-**	-
Other receivables	**166**	686	**-**	-
Total	**51,800**	44,717	**24,446**	21,564
Less: Non-current portion -				
Amount owing by a related party (non-trade)	**(589)**	(939)	**-**	-
Current portion	**51,211**	43,778	**24,446**	21,564

The non-current portion is repayable as follows:

	The Group	
	2012 RM'000	2011 RM'000
More than one year but not later than two years	**360**	360
More than two years but not later than five years	**229**	579
	589	939

The currency profile of trade and other receivables are as follows:

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Ringgit Malaysia	**50,950**	43,623	**24,446**	21,564
Singapore Dollar	**869**	919	**-**	-
United States Dollar	**146**	372	**-**	-
Australian Dollar	**44**	-	**-**	-
Japanese Yen	**12**	6	**-**	-
	52,021	44,920	**24,446**	21,564

Trade receivables of the Group comprise amounts receivable for the sale of goods. The credit period granted on sale of goods range from 30 to 90 days (2011: 30 to 90 days). No interest is charged on overdue outstanding balance of trade receivables.

An allowance has been made for estimated irrecoverable amounts from the sale of goods of the Group amounting to RM221,411 (2011: RM203,136) and has been determined by reference to past default experience.

19. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in the allowance for doubtful debts is as follows:

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Balance at beginning of year	**203**	361
Impairment losses recognised on receivables	**156**	156
Impairment losses reversed	**(135)**	(313)
Amounts written off during the year as uncollectible	**(3)**	(1)
Balance at end of year	**221**	203

Ageing of impaired trade receivables are as follows:

	The Group	
	2012	**2011**
	RM'000	**RM'000**
1 - 30 days	**27**	13
31 - 60 days	**19**	10
61 - 90 days	**14**	7
91 - 120 days	**12**	8
More than 120 days	**149**	165
	221	203

Included in trade receivables and amount due from related parties of the Group are receivables with total carrying amount of RM1,955,048 (2011: RM2,041,717) and RM10,684,229 (2011: RM12,332,321) respectively which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances nor does it have a legal right to offset against any amounts owed by the Group to the counterparty.

Ageing of trade receivables and amount owing by related parties which are past due but not impaired as at the end of the reporting period are as follows:

	The Group			
	Trade receivables		Amount owing by related parties	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
1 - 30 days	**335**	241	**-**	-
31 - 60 days	**298**	323	**4**	-
61 - 90 days	**347**	319	**1,087**	1,160
91 - 120 days	**562**	839	**930**	1,917
More than 120 days	**413**	320	**8,663**	9,255
	1,955	2,042	**10,684**	12,332

19. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group seeks to maintain strict control over its outstanding trade receivables and has a credit period policy to minimise credit risk. Overdue balances are reviewed regularly by management. The Group has not provided for impairment loss on these trade receivable accounts that are past due as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Other receivables of the Group comprise mainly advances and payments on behalf which are unsecured, interest-free and repayable on demand.

Transactions with related parties are disclosed in Note 20.

The fair value of non-current portion of amount due from a related party is estimated using discounted cash flow analysis based on current interest rate for similar instrument.

20. RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiary companies are as follows:

Names of related parties	Relationships
Multibase Systems Sdn. Bhd.	Companies in which a director of the Company has substantial financial interest.
Uniyelee Service Agencies Sdn. Bhd.	Companies in which a director of certain subsidiary companies has substantial financial interest.
Unikampar Credit And Leasing Sdn. Bhd.	Companies in which a director of the Company is a director and has substantial financial interest.
Yee Lee Oils & Foodstuffs (S) Pte. Ltd.	
South East Asia Paper Products Sdn. Bhd.	Companies in which a director of certain subsidiary companies has substantial financial interest.
Yee Lee Marketing Sdn. Bhd.	Companies in which a director of the Company has substantial financial interest.
Uniyelee Insurance Agencies Sdn. Bhd.	Companies in which a director of certain subsidiary companies is a director and has substantial financial interest.
Yee Lee Edible Oils Sdn. Bhd.	A company in which a director of the Company is a director and has substantial financial interest.
	A company in which a director of the Company is a director.
	A company in which a director of certain subsidiary companies is a director and has substantial financial interest.

20. RELATED PARTY TRANSACTIONS (CONT'D)

Names of related parties	Relationships
Yee Lee Trading Co. Sdn. Bhd.	A company in which a director of the Company is a director and has substantial financial interest. A company in which a director of certain subsidiary companies is a director and has substantial financial interest.
Cactus Marketing Sdn. Bhd.	A company in which certain directors of the Company have substantial financial interests. A company in which a director of certain subsidiary companies has substantial financial interest.
Unipon Enterprise Sdn. Bhd.	A company in which a director of the Company has substantial financial interest. A company in which a director of the Company is a director and has substantial financial interest. A company in which a director of certain subsidiary companies has substantial financial interest.
Cranberry (M) Sdn. Bhd.	A company in which a director of the Company has substantial financial interest. A company in which certain directors of the Company are directors. A company in which a director of certain subsidiary companies is a director and has substantial financial interest.

During the financial year, significant related party transactions are as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Subsidiary companies				
Dividends received/receivable (gross)	**-**	-	**7,540**	3,785
Other related parties				
Multibase Systems Sdn. Bhd.				
Secretarial fees paid/payable	**19**	16	**6**	4
Unikampar Credit And Leasing Sdn. Bhd.				
Proceeds from hire-purchase	**2,100**	1,200	**-**	-
Interest on hire-purchase paid	**411**	354	**-**	-
Yee Lee Oils & Foodstuffs (S) Pte. Ltd.				
Sale of goods	**2,921**	2,631	**-**	-

20. RELATED PARTY TRANSACTIONS (CONT'D)

	The Group		The Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Other related parties (Cont'd)				
South East Asia Paper Products Sdn. Bhd.				
Purchase of goods	**6,792**	8,192	**-**	-
Sale of goods	**1**	3	**-**	-
Yee Lee Marketing Sdn. Bhd.				
Rental of premise received	**72**	72	**-**	-
Sale of goods	**7**	5	**-**	-
Uniyelee Insurance Agencies Sdn. Bhd.				
Insurance premium paid/payable	**418**	410	**-**	-
Uniyelee Service Agencies Sdn. Bhd.				
Insurance premium paid/payable	**623**	615	**-**	-
Yee Lee Edible Oils Sdn. Bhd.				
Sale of goods	**10,599**	20,234	**-**	-
Transport charges paid	**162**	258	**-**	-
Internal audit fee paid	**9**	22	**-**	-
Professional fees	**8**	-	**-**	-
Yee Lee Trading Co. Sdn. Bhd.				
Sale of goods	**91,160**	80,808	**-**	-
Purchase of goods	**7**	-	**-**	-
Cactus Marketing Sdn. Bhd.				
Sale of goods	**7,564**	6,220	**-**	-
Rental of motor vehicles received	**12**	12	**-**	-
Purchase of goods	**4**	-	**-**	-
Unipon Enterprise Sdn. Bhd.				
Sale of goods	**320**	680	**-**	-
Purchase of goods	**234**	-	**-**	-
Cranberry (M) Sdn. Bhd.				
Rental received/receivable	**12**	15	**-**	-
Purchase of goods	**6**	9	**-**	-

The outstanding balances arising from related party transactions are disclosed in Notes 19, 25 and 28.

20. RELATED PARTY TRANSACTIONS (CONT'D)

The amounts owing by/(to) related parties are unsecured, interest-free and repayable on demand. However, advances which are unsecured and interest-free granted to a related party are repayable in full in 2015. No guarantees have been given or received. No expense has been recognised in the year for bad and doubtful debts in respect of the amounts owing by related parties.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company which includes Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Company.

The remuneration of directors are disclosed in Note 9. The remuneration of other members of key management personnel of the Group during the year are as follows:

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Short-term employee benefits	**1,419**	2,114
Post-employment benefits - Defined contribution plan	**178**	254
Equity-settled share-based payments	**151**	-
	1,748	2,368

The estimated monetary value of benefits-in-kind received and receivable by other members of key management personnel otherwise than in cash from the Group amounted to RM58,660 (2011: RM47,780).

21. OTHER ASSETS

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits	**501**	481	**1**	1
Prepaid expenses	**1,479**	3,692	**1**	-
	1,980	4,173	**2**	1

22. CASH AND BANK BALANCES

Analysis of currency profile of cash and bank balances is as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**7,660**	8,640	**1,445**	50
Australian Dollar	**608**	662	**-**	-
United States Dollar	**436**	69	**-**	-
	8,704	9,371	**1,445**	50

23. SHARE CAPITAL AND TREASURY SHARES

(a) *Share capital*

	The Group and The Company			
	2012 Number of ordinary shares '000	2011 Number of ordinary shares '000	2012 RM'000	2011 RM'000
Authorised:				
Ordinary shares of RM0.50 each	**200,000**	200,000	**100,000**	100,000
Issued and fully paid:				
Ordinary shares of RM0.50 each	**130,659**	130,659	**65,329**	65,329

(b) *Treasury shares*

	The Group and The Company			
	2012 Number of ordinary shares '000	2011 Number of ordinary shares '000	2012 RM'000	2011 RM'000
At beginning and end of year	**24**	24	**14**	14

As of May 31, 2012, there are 24,000 treasury shares held by the Company. The number of ordinary shares of RM0.50 each in issue and fully paid after excluding the treasury shares was 130,634,666.

The mandate given by the shareholders will expire at the forthcoming Annual General Meeting ("AGM") and an ordinary resolution needs to be tabled at the AGM for shareholders to grant a fresh mandate for another year.

24. RESERVES

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-distributable reserves:				
Share premium	**16,348**	16,549	**16,348**	16,549
Property revaluation reserve	**5,732**	5,732	**-**	-
Equity-settled employee benefits reserve	**1,037**	-	**1,037**	-
	23,117	22,281	**17,385**	16,549
Distributable reserve:				
Retained earnings	**61,775**	54,455	**9,484**	6,325
	84,892	76,736	**26,869**	22,874

24. RESERVES (CONT'D)

(a) *Share premium*

Share premium arose from the following:

	The Group and The Company	
	2012	2011
	RM'000	RM'000
Rights issue of 245,000 ordinary shares issued at a premium of RM0.50 per ordinary share in 2001	**122**	122
Issuance of 34,436,000 ordinary shares for the acquisition of subsidiaries at a premium of RM0.723 per ordinary share in 2001	**24,899**	24,899
Public issue of 14,264,000 ordinary shares issued at a premium of RM0.70 per share in 2001, net of listing expenses of RM2,020,865	**7,964**	7,964
Bonus issue of 16,329,333 new ordinary shares in 2009	**(16,329)**	(16,329)
Share issue expenses in relation to bonus issue and subdivision of ordinary shares in 2009	**(107)**	(107)
Expenses relating to issuance of Warrants and ESOS in 2012	**(201)**	-
	16,348	16,549

(b) *Property revaluation reserve*

The property revaluation reserve of the Group arises from the revaluation of land and buildings. Where revalued land and buildings are sold, the portion of the property revaluation reserve that relates to the disposed asset is effectively realised, and is transferred directly to retained earnings.

(c) *Equity-settled employee benefits reserve*

The equity-settled employee benefits reserve relates to share options granted to the directors and employees of the Group under the ESOS as disclosed in Note 31.

(d) *Retained earnings*

In accordance with the Finance Act, 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend would no longer be able to claim any tax credits.

Companies without Section 108 tax credit balance will automatically move to the single tier tax system on January 1, 2008. However, companies with such tax credits are given an irrevocable option to elect for the single tier tax system and disregard the tax credit or continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending December 31, 2013 or until the tax credits are fully utilised, whichever come first. During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on January 1, 2014.

As of the end of the reporting period, the Company has not opted to disregard the Section 108 tax credit balance in accordance with the Finance Act, 2007. The Company may utilise the Section 108 tax credit balance which has been frozen as of December 31, 2007 to frank dividend payments during the six-year transitional period. Based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credit and tax-exempt accounts balances to frank dividends out of its entire retained earnings as of May 31, 2012.

25. HIRE-PURCHASE PAYABLES

	The Group			
	Minimum hire-purchase payments		Present value of minimum hire-purchase payments	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amounts payable under hire-purchase arrangements:				
Within one year	**6,242**	5,033	**5,475**	4,900
In the second to fifth year inclusive	**12,592**	16,518	**11,912**	14,517
	18,834	21,551	**17,387**	19,417
Less: Future finance charges	**(1,447)**	(2,134)	**-**	-
Present value of hire-purchase payables	**17,387**	19,417	**17,387**	19,417
Less: Amount due within 12 months (shown under current liabilities)			**(5,475)**	(4,900)
Non-current portion			**11,912**	14,517

The non-current portion is repayable as follows:

	2012 RM'000	2011 RM'000
Financial years ending May 31:		
2013	**-**	4,367
2014	**5,567**	4,402
2015	**4,300**	3,717
2016	**2,045**	2,031
	11,912	14,517

As of May 31, 2012, hire-purchase obligations of the Group payable to a related party amounted to RM6,558,356 (2011: RM6,867,300).

It is the Group's policy to acquire certain of its property, plant and equipment under hire-purchase arrangements. The terms for hire-purchase ranged from 3 to 5 years (2011: 3 to 5 years). For the financial year ended May 31, 2012, the effective borrowing rates ranged from 4.70% to 7.92% (2011: 4.64% to 6.60%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's hire-purchase payables are secured by the assets under hire-purchase and guaranteed by the Company.

26. BORROWINGS

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Unsecured		
Term loans	**33,796**	40,755
Bankers' acceptances	**27,817**	22,461
Revolving credits	**10,300**	9,250
Bank overdrafts	**317**	892
Onshore foreign currency loan (USD)	**-**	815
	72,230	74,173
Less: Amount due within 12 months (shown under current liabilities)	**(47,913)**	(42,312)
Non-current portion	**24,317**	31,861

The non-current portion of the term loans is repayable as follows:

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Financial years ending May 31:		
2013	**-**	8,951
2014	**9,535**	8,987
2015	**7,959**	7,394
2016	**5,741**	5,453
2017	**1,082**	1,076
	24,317	31,861

The Group has the following term loans:

(a) a seven (7) year term loan of RM13,967,016 (2011: RM13,967,016) which is repayable by equal monthly instalments commencing June 25, 2008;

(b) a five (5) year term loan of RM7,349,285 (2011: RM7,349,285) which is repayable by equal quarterly instalments commencing July 27, 2009;

(c) a seven (7) year term loan of RM28,755,616 (2011: RM28,755,616) which is repayable by quarterly instalments commencing February 16, 2010;

(d) a five (5) years term loan of RM3,906,630 (2011: RM3,906,630) which is repayable by equal quarterly instalment commencing June 3, 2011;

(e) a five (5) year term loan of RM1,836,520 (2011: RM1,836,520) which is repayable by equal monthly instalments commencing June 30, 2011;

(f) a five (5) year term loan of RM1,260,000 (2011: Nil) which is repayable by equal monthly instalments commencing August 27, 2011; and

(g) a five (5) year term loan of RM1,375,248 (2011: Nil) which is repayable by equal monthly instalments commencing August 29, 2011.

26. BORROWINGS (CONT'D)

The average effective interest rates per annum are as follows:

	The Group 2012 %	The Group 2011 %
Term loans	4.10 - 5.15	3.48 - 5.15
Bankers' acceptances	3.31 - 3.69	2.56 - 3.65
Revolving credits	4.04 - 4.62	3.15 - 3.80
Bank overdrafts	6.80 - 7.64	7.20 - 7.38
Onshore foreign currency loan (USD)	3.00	2.99

The credit facilities of the Group of RM144,942,000 (2011: RM160,924,000) are guaranteed by the Company.

27. DEFERRED TAX LIABILITIES

The Group	**At beginning of year RM'000**	**Recognised in income statements RM'000**	**At end of year RM'000**
2012			
Deferred tax liabilities			
Property, plant and equipment	**10,105**	**2,553**	**12,658**
Revaluation reserve	**1,554**	**(33)**	**1,521**
	11,659	**2,520**	**14,179**
2011			
Deferred tax liabilities			
Property, plant and equipment	9,058	1,047	10,105
Revaluation reserve	1,559	(5)	1,554
	10,617	1,042	11,659

Unrecognised deferred tax assets

	The Group 2012 RM'000	The Group 2011 RM'000
Deferred tax assets not recognised as at the end of the reporting period:		
Unutilised tax losses and tax capital allowances	**216**	216

27. DEFERRED TAX LIABILITIES (CONT'D)

As mentioned in Note 3, the effects of unutilised tax losses and tax capital allowances which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the unutilised tax losses and tax capital allowances can be utilised.

28. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	**5,579**	6,495	**-**	-
Amount owing to a subsidiary	**-**	-	**1,241**	-
Amount owing to other related parties:				
- trade	**2,082**	392	**-**	-
- non-trade	**116**	98	**-**	-
Other payables	**6,727**	6,718	**-**	1
	14,504	13,703	**1,241**	1

The currency profile of trade and other payables are as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**13,998**	13,190	**1,241**	1
United States Dollar	**446**	289	**-**	-
Euro	**36**	22	**-**	-
Singapore Dollar	**24**	15	**-**	-
Swiss Franc	**-**	178	**-**	-
Japanese Yen	**-**	9	**-**	-
	14,504	13,703	**1,241**	1

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs respectively. The credit period granted to the Group for trade purchases range from 30 to 90 days (2011: 30 to 90 days). No interest is charged on overdue outstanding balances of trade payables.

The amount owing to other payables of the Group and of the Company are unsecured, interest-free and repayable on demand.

Transactions with related parties are disclosed in Note 20.

29. OTHER LIABILITIES

	The Group 2012 RM'000	The Group 2011 RM'000	The Company 2012 RM'000	The Company 2011 RM'000
Accrued expenses	**3,111**	3,412	**145**	127
Deposits received	**357**	509	**-**	-
	3,468	3,921	**145**	127

30. DIVIDEND

	The Group and The Company 2012 RM'000	The Group and The Company 2011 RM'000
First and final dividend paid:		
2.5 sen per share, tax-exempt for 2011 (2011: 2.5 sen per share, tax-exempt for 2010)	**3,266**	3,266

The directors have proposed a first and final dividend of 3.0 sen per share, tax-exempt, in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

31. SHARE-BASED PAYMENTS

Under the Company's Employees' Share Option Scheme ("ESOS"), which has been approved at an Extraordinary General Meeting held on November 24, 2011, options to subscribe for new ordinary shares ("Spritzer Shares") of RM0.50 each in the Company were granted to eligible employees, Executive Directors and Non-Executive Directors ("Eligible Persons") of the Company and its subsidiaries, which are not dormant. The ESOS is administered by the ESOS Committee and governed by a set of by-laws.

The implementation of the ESOS primarily serves to align the interests of the Eligible Persons to the corporate goals of Spritzer Group. The ESOS will provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

(i) To recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
(ii) To motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
(iii) To inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company;
(iv) To retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level; and
(v) To reward the Eligible Persons by allowing those to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Company's shares.

The Board of Directors is of the view that the Non-Executive Directors play a constructive role in contributing towards the growth and performance of the Group. Therefore, in recognition of their contribution to the Group, the ESOS is also extended to the Non-Executive Directors to allow them to participate in the equity of the Company as an incentive as they discharge important functions in providing strategic direction and guidance for the Group, and their experience, services and contributions are valued by the Group.

31. SHARE-BASED PAYMENTS (CONT'D)

The salient features of the ESOS are as follows:

1. Maximum number of Spritzer Shares available under the ESOS

   The total number of new Spritzer Shares, which may be allotted pursuant to the ESOS shall not exceed in aggregate 15% of the total issued and paid-up share capital of the Company (excluding treasury shares) at any point in time during the existence of the ESOS.

2. Basis of allotment and maximum allowable allotment

   The maximum number of new Spritzer Shares that may be offered to an Eligible Person shall be determined at the discretion of the ESOS Committee after taking into consideration, amongst others and where relevant, the performance, contribution, employment grade, seniority and length of service of the Eligible Person, subject to the following:

   a. The aggregate allocation to Directors and senior management of the Group must not exceed 50% of the new Spritzer Shares available under the ESOS; and
   b. The allocation to an Eligible Person, who either singly or collectively, through persons connected to the Eligible Person, holds 20% or more of the issued and paid-up share capital of the Company, must not exceed 10% of the new Spritzer Shares available under the ESOS.

3. Eligibility

   Only employees, Executive Directors and Non-Executive Directors of the Company and its subsidiaries, which are not dormant, who meet the following conditions as at the date of offer are eligible to participate in the ESOS:

   a. Employees

      i. be at least 18 years of age;
      ii. confirmed in service in the Group;
      iii. is employed for a continuous period of at least one (1) year in the Group; and
      iv. be under such categories and complies with such criteria that the ESOS Committee may decide at its absolute discretion from time to time.

   b. Executive Director and Non-Executive Director

      An Executive Director or Non-Executive Director who has held office for at least one (1) year in the Group, whose entitlement under the ESOS has been approved by shareholders of the Company in a general meeting, and who is not prohibited or disallowed by the relevant authorities from participating in the ESOS.

   The selection of any Eligible Person to participate in the ESOS shall be at the absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be binding and final.

   Save for the aforesaid eligibility conditions and in accordance with the by-laws, an Eligible Person is not subject to any other conditions and/or performance targets to be eligible for participation in the ESOS.

4. Duration

   The ESOS shall be in force for a period of five (5) years commencing March 9, 2012 and will expire on March 8, 2017 but may be extended for a further period of up to five (5) years at the discretion of the Board of Directors upon recommendation of the ESOS Committee, subject always that the duration or tenure of the ESOS shall be not more than ten (10) years from the effective date.

31. SHARE-BASED PAYMENTS (CONT'D)

The salient features of the ESOS are as follows: (Cont'd)

5. Basis of determining the Subscription Price

   Subject to any adjustments made under the by-laws and pursuant to the Listing Requirements, the subscription price shall be the higher of:

   a. The five (5)-day weighted average of the market prices of Spritzer Shares immediately preceding the date of offer, with a discount of not more than 10% at the ESOS Committee's discretion; or
   b. The par value of Spritzer Shares.

6. Acceptance

   An offer made by the ESOS Committee to an Eligible Person under the ESOS shall be in writing. The Offer shall be open for acceptance by the Eligible Person to whom it is made for at least 14 calendar days from the date of offer.

   The acceptance of the offer shall be by a notice in writing addressed to the ESOS Committee in such form as prescribed by the ESOS Committee accompanied by a non-refundable payment to the Company of a sum of RM1.00 only as consideration for the acceptance of such offer. Upon acceptance of the offer, the Company may at its discretion, issue to the grantee an option certificate, which confirms the grant of the ESOS Option, the number of new Spritzer Shares comprised in the ESOS, ESOS option period and subscription price.

   If the offer is not accepted in the aforesaid manner, the offer shall automatically lapse upon the expiry of the prescribed offer period and shall no longer be capable of acceptance. In the event an offer is accepted as to part of the Spritzer Shares comprised therein, the offer as regards to the balance of the Spritzer Shares not accepted shall lapse forthwith.

7. Amendments and/or modifications

   Subject to the compliance with the requirements of Bursa Malaysia Securities Berhad and any other relevant authorities, the ESOS Committee may, at any time and from time to time, recommend to the Board of Directors any additions and amendments to or deletions of the by-laws as it shall in its discretion think fit and the Board of Directors shall have the power by resolution to add to, amend or delete all of any of the by-laws upon such recommendation provided that no additions or amendments to or deletion of the by-laws shall be made which will:

   a. Prejudice any rights of the shareholders of the Company without the prior approval of the shareholders of the Company in a general meeting; or
   b. Alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in the by-laws (or any amendments subsequent thereto) by virtue of the Listing Requirements, without the prior approval of the shareholders of the Company in a general meeting unless otherwise allowed by the provisions of the Listing Requirements.

   Where any amendments and/or modifications are made to the by-laws, the Company shall submit to Bursa Malaysia Securities Berhad, the amendments and/or modifications to the by-laws and a confirmation letter that the amendments and/or modifications complies with the provisions of the guidelines on ESOS stipulated under the Listing Requirements no later than five (5) Market Days from the effective date of the said amendments and/or modifications.

31. SHARE-BASED PAYMENTS (CONT'D)

The salient features of the ESOS are as follows: (Cont'd)

8. Alteration of share capital

In the event of any alteration in the capital structure of the Company during the ESOS option period, whether by way of capitalisation of profits or reserves, rights issue, bonus issue, reduction of capital, subdivision or consolidation of Spritzer Shares, or otherwise howsoever arising, corresponding adjustments, if any, shall be made either in the number of new Spritzer Shares comprised in the ESOS not exercised and/ or the subscription price in such manner as the ESOS Committee may decide provided that:

a. The adjustment other than arising from a bonus issue must be confirmed in writing by the external auditors for the time being of the Company to be in their opinion (acting as experts and not as arbitrators) fair and reasonable; and
b. No adjustment to the subscription price shall be made which would result in the new Spritzer Shares being issued at a discount to the par value of Spritzer Shares and if such an adjustment would but for this provision have so resulted, the subscription price payable for such new Spritzer Shares shall be the par value of Spritzer Shares.

The aforesaid adjustments shall be made in accordance with the formulas as set out in First Schedule attached to the by-laws and on the day immediately following the books closure date for the event giving rise to the adjustments.

9. Ranking of the ESOS Option and new Spritzer Shares arising from the exercise of the ESOS Option

The Grantees will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such grantees exercise their ESOS into new Spritzer Shares.

The new Spritzer Shares arising from the exercise of the ESOS shall, upon allotment and issuance, rank pari passu in all aspects with the then existing issued and paid-up ordinary shares of the Company, except that the new Spritzer Shares will not be entitled to any distribution declared, made or paid to shareholders, for which the entitlement date for the distribution precedes the date of which the new Spritzer Shares are credited into the Central Depository System account with Bursa Depository of the grantees. The new Spritzer Shares will be subject to all provisions of the Memorandum and Articles of Association of the Company and such amendments thereafter, if any.

10. Holding of Spritzer Shares

Pursuant to the Listing Requirements, an eligible Director who is a Non-Executive Director shall not sell, transfer or assign the Spritzer Shares obtained through the exercise of the ESOS offered to him/her within one (1) year from the date of offer.

Save for the Non-Executive Directors, the new Spritzer Shares allotted and issued to the grantees pursuant to the exercise of the ESOS will not be subject to any holding period or restriction on transfer, disposal and/ or assignment.

11. Listing of and quotation for the new Spritzer Shares

The approval-in-principle has been obtained from Bursa Malaysia Securities Berhad vide its letter dated October 25, 2011 for the listing of and quotation for the new Spritzer Shares to be issued arising from the exercise of the ESOS on the Main Market of Bursa Securities.

31. SHARE-BASED PAYMENTS (CONT'D)

The salient features of the ESOS are as follows: (Cont'd)

11. Listing of and quotation for the new Spritzer Shares (Cont'd)

Details of the share options granted, exercised and lapsed during the financial year are as follows:

		No. of options over ordinary shares of RM0.50 each				
Date of grant	Exercise price per ordinary share RM	Balance as of 1.6.2011 '000 units	Granted '000 units	Lapsed '000 units	Exercised '000 units	Balance as of 31.5.2012 '000 units
9.3.2012	0.75	-	4,422	(17)	-	4,405

The number of share options vested as of May 31, 2012 is 4,405,000 units. The share options granted to the directors and senior management represents 37.8% of the maximum options that can be granted under the ESOS as of May 31, 2012.

Other than the Executive Directors and Non-Executive Directors whose interests are disclosed separately in Directors' Interest, eligible employees who have been granted options under the Company's ESOS in excess of 75,000 ordinary shares each are as follows:

	No. of options over ordinary shares of RM0.50 each			
	Balance as of 1.6.2011	Granted	Exercised	Balance as of 31.5.2012
Mr. Lim Seng Lee	-	125,000	-	125,000
Madam Chong Mee Yoong	-	100,000	-	100,000
Mr. Lim Hock Lai	-	100,000	-	100,000
Mr. Sow Yeng Chong	-	100,000	-	100,000
Mr. Tan Eng Bong	-	75,000	-	75,000

The fair value of the options was determined using the "Black-Scholes" model based on the closing market price at offer date, the exercise price, expected volatility based on its historical volatility, expected dividend yield, option life and risk-free rate.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Loans and receivables:				
Trade and other receivables	**51,800**	44,717	**24,446**	21,564
Refundable deposits	**488**	468	**1**	1
Cash and bank balances	**8,704**	9,371	**1,445**	50
Available-for-sale:				
Investment in unquoted shares	**68**	90	**-**	-
Financial liabilities				
Amortised cost:				
Trade and other payables	**14,504**	13,703	**1,241**	1
Borrowings	**72,230**	74,173	**-**	-
Hire-purchase payables	**17,387**	19,417	**-**	-
Accrued expenses	**3,111**	3,412	**145**	127
Refundable deposits	**257**	409	**-**	-

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Group and of the Company. Management continually monitor the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risks.

(a) Market risk

(i) Foreign currency risk

The Group's transactions in foreign currencies are in United States Dollar ("USD"), Australian Dollars ("AUD"), Euro ("EUR"), Singapore Dollar ("SGD"), Japanese Yen ("JPY") and therefore, are exposed to foreign exchange risk.

The carrying amounts of the foreign currency denominated monetary assets and liabilities of the Group at the end of the reporting period are disclosed in Notes 19, 22 and 28.

The management does not consider the Group's exposure to foreign currency exchange risk significant as of May 31, 2012. Therefore, sensitivity analysis for foreign currency exchange risk is not disclosed.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(a) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

The Group finances its operations by a mixture of internal funds and bank and other borrowings. The Group regularly reviews the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration of the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The details of the Group's borrowings are as disclosed in Notes 25 and 26.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates increase/decrease in the range of 13 to 75 basis points (2011: 100 basis points), with all other variables held constant, the Group's profit net of tax would have been RM109,251 (2011: RM684,293) lower/higher arising mainly as a result of higher/lower interest expense on floating rate borrowings. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

The Group does not consider its exposure to interest rate risk from interest-bearing assets significant as of May 31, 2012 due to insignificant fluctuations in the market interest rates of interest-bearing assets. Therefore, interest rate sensitivity analysis on interest-bearing assets is not disclosed.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure of the Group to credit risk arises principally from its receivables, amount due from related parties and other financial assets. The credit risk exposure of the Company arises from amount due from subsidiaries and financial guarantees given to licensed banks and credit and leasing company for credit and hire-purchase facilities granted to subsidiary companies and other financial assets.

Receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The Group established policies on credit control which involves comprehensive credit evaluations, setting up appropriate credit limits, ensuring the sales are made to customers with good credit history and regular review of customers' outstanding balances and payment trends. The Group considers the risk of material loss in the event of non-performance by the customers to be unlikely.

At the end of the reporting period, the Group is not subject to significant concentration of credit risk.

As the Group does not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Credit risk (Cont'd)*

Receivables (Cont'd)

For other receivables, management does not consider its exposure to credit risk significant due to the insignificant carrying amount as of May 31, 2012.

The ageing of trade receivables and amount owing by related parties that are past due are disclosed in Note 19.

Amount Due From Subsidiaries and Other Related Parties

The Group undertook trade transactions with related parties and credit period ranging from 30 to 120 days (2011: 30 to 120 days) was set. The Company provided unsecured advances to subsidiaries and there are no fixed repayment terms imposed on amount due from subsidiaries as the credit risk is managed on a Group basis by the management of Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiaries, is minimal.

At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

At the end of the reporting period, there was no indication that the balances due from subsidiaries and other related parties are not recoverable.

Financial Guarantee

The Company provides unsecured financial guarantees to licensed banks and credit and leasing company in respect of credit and hire-purchase facilities granted to subsidiaries. The Company monitors on an ongoing basis the trend of repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM132,509,000 (2011: RM137,692,000) representing the limit of banking and hire-purchase facilities of the subsidiaries as of the end of the reporting period.

At the end of the financial period, there was no indication that the subsidiaries would default on repayment.

Other Financial Assets

The credit risk on liquid funds are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) *Liquidity and cash flow risks*

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The Group's and the Company's principal source of liquidity has historically been cash flows from operations and funds obtained from long and short-term borrowings.

The Group and the Company expect that the cash generated from their operations, their existing credit facilities and the trade terms provided by its suppliers will be sufficient to meet the Group's and the Company's currently anticipated capital expenditure and working capital needs for at least the next 12 months.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Liquidity and cash flow risks (Cont'd)

The Group has credit facilities of approximately RM45,501,000 (2011: RM51,079,000) which are unused at the end of the reporting period. The Group expects to meet its financial obligations from its operating cash flows and proceeds from maturing financial assets.

The maturity profile of the Group's and of the Company's non-derivative financial assets and liabilities at the reporting period based on contractual undiscounted repayment obligations are as follows:

The Group	On demand or within one year RM'000	One year to five years RM'000	Over five years RM'000	Total RM'000
2012				
Non-derivative financial assets:				
Trade and other receivables	**51,211**	**589**	**-**	**51,800**
Refundable deposits	**488**	**-**	**-**	**488**
Investment in unquoted shares	**68**	**-**	**-**	**68**
Cash and bank balances	**8,704**	**-**	**-**	**8,704**
Total undiscounted non-derivative financial assets	**60,471**	**589**	**-**	**61,060**
Non-derivative financial liabilities:				
Trade and other payables	**14,504**	**-**	**-**	**14,504**
Refundable deposits	**257**	**-**	**-**	**257**
Accrued expenses	**3,111**	**-**	**-**	**3,111**
Hire-purchase payables	**6,242**	**12,592**	**-**	**18,834**
Borrowings	**49,465**	**26,438**	**-**	**75,903**
Total undiscounted non-derivative financial liabilities	**73,579**	**39,030**	**-**	**112,609**
Total net undiscounted non-derivative financial liabilities	**(13,108)**	**(38,441)**	**-**	**(51,549)**
2011				
Non-derivative financial assets:				
Trade and other receivables	43,778	939	-	44,717
Refundable deposits	468	-	-	468
Investment in unquoted shares	90	-	-	90
Cash and bank balances	9,371	-	-	9,371
Total undiscounted non-derivative financial assets	53,707	939	-	54,646
Non-derivative financial liabilities:				
Trade and other payables	13,703	-	-	13,703
Refundable deposits	409	-	-	409
Accrued expenses	3,412	-	-	3,412
Hire-purchase payables	5,033	16,518	-	21,551
Borrowings	44,151	34,150	1,088	79,389
Total undiscounted non-derivative financial liabilities	66,708	50,668	1,088	118,464
Total net undiscounted non-derivative financial liabilities	(13,001)	(49,729)	(1,088)	(63,818)

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Liquidity and cash flow risks (Cont'd)

The Company	On demand or within one year RM'000	One year to five years RM'000	Over five years RM'000	Total RM'000
2012				
Non-derivative financial assets:				
Amount due from subsidiaries	**24,446**	**-**	**-**	**24,446**
Refundable deposits	**1**	**-**	**-**	**1**
Cash and bank balances	**1,445**	**-**	**-**	**1,445**
Total undiscounted non-derivative financial assets	**25,892**	**-**	**-**	**25,892**
Non-derivative financial liabilities:				
Amount due to a subsidiary	**1,241**	**-**	**-**	**1,241**
Accrued expenses	**145**	**-**	**-**	**145**
Total undiscounted non-derivative financial liabilities	**1,386**	**-**	**-**	**1,386**
Total net undiscounted non-derivative financial assets	**24,506**	**-**	**-**	**24,506**
2011				
Non-derivative financial assets:				
Amount due from subsidiaries	21,564	-	-	21,564
Refundable deposits	1	-	-	1
Cash and bank balances	50	-	-	50
Total undiscounted non-derivative financial assets	21,615	-	-	21,615
Non-derivative financial liabilities:				
Other payables	1	-	-	1
Accrued expenses	127	-	-	127
Total undiscounted non-derivative financial liabilities	128	-	-	128
Total net undiscounted non-derivative financial assets	21,487	-	-	21,487

The Group and the Company have not committed to any derivative financial instruments during the financial year.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2011.

The capital structure of the Group and of the Company consist of net debt and equity of the Group and of the Company.

Fair Values of Financial Assets and Financial Liabilities

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.

The fair value of long-term receivable of the Group is disclosed in Note 19. There is no material difference between the estimated fair value of the long-term receivable and its carrying amount.

The fair values of term loans and hire-purchase of the Group are estimated using discounted cash flow analysis based on the current borrowing rates for similar types of term loans and hire-purchase arrangements. There is no material difference between the carrying amounts and the estimated fair values of term loans and hire-purchase.

No disclosure is made on the fair value of investment in unquoted shares of the Group as it is impractical to estimate due to the lack of quoted market price and the inability to establish its fair value without incurring excessive cost.

33. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Cash purchase	**8,950**	19,511
Hire-purchase financing	**3,440**	18,643
	12,390	38,154

The principal amounts of instalment repayments for property, plant and equipment acquired by hire-purchase and term loans are reflected as cash outflows from financing activities.

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	**8,704**	9,371	**1,445**	50
Bank overdrafts	**(317)**	(892)	**-**	-
	8,387	8,479	**1,445**	50

34. CAPITAL COMMITMENTS

As of May 31, 2012, the Group has the following commitments on capital expenditure in respect of property, plant and equipment:

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Capital expenditure:		
Approved and contracted for	**3,290**	2,319

35. OPERATING LEASE ARRANGEMENTS

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Within one year	**33**	48
In the second to fifth year inclusive	**9**	27
	42	75

Operating lease payments represent rental payable for staff's hostel with average lease term which ranged from 1 to 3 years (2011: 2 to 3 years) with an option to renew the lease after that date.

36. SUBSEQUENT EVENT

Subsequent to the financial year end, a subsidiary company, PET Master Sdn. Bhd. acquired one set of injection cold half mould for a total purchase consideration of USD166,642.

37. COMPARATIVE FIGURES

The financial statements of the Group and of the Company as of May 31, 2011 were audited by another firm of auditors and there are inconsistencies in the presentation and disclosure of certain financial information.

Accordingly, certain comparative figures in the financial statements have been restated to conform with current year's presentation.

	The Group	
	As previously reported	**As restated**
	RM'000	**RM'000**
As of May 31, 2011		
Statement of Financial Position		
Trade and other receivables:		
Non-current portion	-	939
Current portion	44,717	43,778
Hire-purchase payables:		
Non-current portion	19,109	14,517
Current portion	6,052	4,900
Borrowings:		
Non-current portion	27,391	31,861
Current portion	41,038	42,312

37. COMPARATIVE FIGURES (CONT'D)

	The Group	
	As previously reported RM'000	As restated RM'000
For the financial year ended May 31, 2011		
Income Statements		
Employee benefits expense	15,878	15,797
Depreciation of property, plant and equipment	8,546	8,537
Other expenses	38,642	38,732
Statement of Cash Flows		
Cash Flows From/(Used In) Operating Activities		
Adjustments for:		
Investment revenue recognised in income statements	(72)	(112)
Interest income	(40)	-
Rental income	(209)	-
Movements in working capital:		
(Increase)/Decrease in:		
Trade and other receivables	20,077	14,882
Other assets	-	5,195
Increase/(Decrease) in:		
Trade and other payables	(11,417)	(12,505)
Other liabilities	-	1,088
Cash Flows From/(Used In) Investing Activities		
Rental received	281	72
Purchase of property, plant and equipment	(38,154)	(19,511)
Cash Flows From/(Used In) Financing Activities		
Proceeds from hire-purchase	18,643	-
Notes to the Financial Statements		
Note 8 - Other gains and losses, other expenses and employee benefits expense		
Rental of hostel included in other gains/(losses) and other expenses	(100)	-
Rental of hostel included in employee benefits expense	-	64
Employee benefits expense included in research and development expenses	-	144
Depreciation of property, plant and equipment included in research and development expenses	-	9

37. COMPARATIVE FIGURES (CONT'D)

	The Group	
	As previously reported RM'000	As restated RM'000
Notes to the Financial Statements (Cont'd)		
Note 11 - Income tax expense		
Deferred tax:		
Relating to origination and reversal of temporary differences	1,544	8,102
Relating to crystallisation of deferred tax liability on revaluation surplus	(32)	(5)
Income tax expense reconciled to the accounting profit:		
Tax effects of:		
Balancing charge	4	-
Expenses that are not deductible in determining taxable profit	1,886	798
Utilisation of current year capital allowances	(2,095)	-
Utilisation of reinvestment allowances	(1,247)	(1,240)
Temporary differences arising from property, plant and equipment	935	-
Income that is not taxable in determining taxable profit	-	(75)
Estimated unabsorbed reinvestment allowances	1,544	8,102
Note 14 - Investment properties		
Direct operating expenses incurred relating to investment properties of the Group that do not generate rental income:		
Quit rent and assessment	-	4
Electricity and water charges	-	1
Note 18 - Inventories		
Cost of inventories recognised as an expense	147,222	104,999
Note 19 - Trade and other receivables		
Non-current portion	-	939
Current portion	44,717	43,778
Ringgit Malaysia included in the currency profile	43,420	43,623

37. COMPARATIVE FIGURES (CONT'D)

	The Group	
	As previously reported RM'000	As restated RM'000
Notes to the Financial Statements (Cont'd)		
Note 19 - Trade and other receivables (Cont'd)		
Ageing of trade receivables and amount owing by related parties which are past due but not impaired:		
Trade receivables		
1 - 30 days	4,982	241
31 - 60 days	3,116	323
61 - 90 days	1,556	319
More than 90 days	8,816	-
91 - 120 days	-	839
More than 120 days	-	320
	18,470	2,042
Amount owing by related parties		
61 - 90 days	-	1,160
91 - 120 days	-	1,917
More than 120 days	-	9,255
	-	12,332
Note 22 - Cash and bank balances		
Analysis of currency profile		
Ringgit Malaysia	9,371	8,640
Australian Dollar	-	662
USD	-	69
Note 25 - Hire-purchase payables		
Minimum hire-purchase payments:		
Amounts payable under hire-purchase arrangements:		
Within one year	7,206	5,033
In the second to fifth year inclusive	20,822	16,518
	28,028	21,551
Future finance charges	(2,867)	(2,134)
Present value of hire-purchase payables	25,161	19,417

37. COMPARATIVE FIGURES (CONT'D)

	The Group	
	As previously reported RM'000	As restated RM'000
Notes to the Financial Statements (Cont'd)		
Note 26 - Borrowings		
Term loans	35,827	40,755
Bankers' acceptances	22,460	22,461
Onshore foreign currency loan (USD)	-	815
Amount due within 12 months (shown under current liabilities)	(41,038)	(42,312)
Non-current portion	27,391	31,861
Non-current portion of the term loan is repayable as follows:		
Financial years ending May 31:		
2013	7,621	8,951
2014	7,621	8,987
2015	5,987	7,394
2016	4,108	5,453
2017	2,054	1,076
	27,391	31,861
Note 32 - Financial Instruments, Financial Risks And Capital Risks Management		
Categories of Financial Instruments:		
Financial assets		
Loans and receivables:		
Refundable deposits	481	468
Financial liabilities		
Amortised cost:		
Hire-purchase payables	25,161	19,417
Borrowings	68,429	74,173
Refundable deposits	-	409

37. COMPARATIVE FIGURES (CONT'D)

	The Group	
	As previously reported RM'000	As restated RM'000
Notes to the Financial Statements (Cont'd)		
Note 32 - Financial Instruments, Financial Risks And Capital Risks Management (Cont'd)		
Liquidity and cash flow risks:		
Maturity profile		
Non-derivative financial liabilities:		
Hire-purchase payables		
- On demand or within one year	6,052	5,033
- One year to five years	19,109	16,518
Total	25,161	21,551
Borrowings		
- On demand or within one year	41,038	44,151
- One year to five years	27,391	34,150
- Over five years	-	1,088
Total	68,429	79,389
Other liabilities		
- On demand or within one year	3,921	-
Total	3,921	-
Accrued expenses		
- On demand or within one year	-	3,412
Total	-	3,412
Refundable deposits		
- On demand or within one year	-	409
Total	-	409

	The Company	
	As previously reported RM'000	As restated RM'000
Statement of Cash Flows		
Cash Flows From/(Used In) Operating Activities		
Movements in working capital:		
(Increase)/Decrease in:		
Other receivables	3,475	3,466
Other assets	-	9
Increase/(Decrease) in:		
Other payables	1	(3)
Other liabilities	-	4

38. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as of May 31, 2012 into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Malaysia Securities Berhad on March 25, 2010, is as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries				
Realised	**116,610**	106,719	**9,484**	6,325
Unrealised	**(12,658)**	(10,105)	**-**	-
	103,952	96,614	**9,484**	6,325
Less: Consolidation adjustments	**(42,177)**	(42,159)	**-**	-
Total retained earnings as per statements of financial position	**61,775**	54,455	**9,484**	6,325

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements" as issued by the Malaysian Institute of Accountants on December 20, 2010.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia and is not made for any other purposes.

Statement by Directors

The directors of **SPRITZER BHD**. state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of May 31, 2012 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 38, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors,

Y. BHG. DATO' LIM KOK BOON, DPMP
Managing Director

DR. CHUAH CHAW TEO
Executive Director

Ipoh,
September 10, 2012

Declaration by the Officer Primarily Responsible for the Financial Management of the Company

I, **MR. SOW YENG CHONG**, the officer primarily responsible for the financial management of **SPRITZER BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MR. SOW YENG CHONG
Subscribed and solemnly declared by the abovenamed **MR. SOW YENG CHONG** at **IPOH**
this 10th day of September, 2012.

Before me,

ENCIK MOHD YUSOF BIN HARON, KPP, PNPBB, PJK
NO. : A112
COMMISSIONER FOR OATHS

Analysis of Shareholdings

As at October 8, 2012

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-Up Share Capital	:	RM65,347,333.00 (excluding 24,000 Treasury Shares)
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

	Number of Shareholders		Number of Issued Shares	
Size of Shareholdings	**Number**	**%**	**Number**	**%**
Less than 100	69	3.70	3,090	0.00
100 to 1,000 shares	80	4.30	57,196	0.04
1,001 to 10,000 shares	1,369	73.48	5,293,140	4.05
10,001 to 100,000 shares	296	15.89	8,362,776	6.40
100,001 to less than 5% of issued shares	46	2.47	51,605,798	39.49
5% and above of issued shares	3	0.16	65,372,666	50.02
Total	**1,863**	**100.00**	**130,694,666**	**100.00**

SUBSTANTIAL SHAREHOLDERS (as per the Company's Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Substantial Shareholders	**Number of Issued Shares**	**% of Issued Shares**	**Number of Issued Shares**	**% of Issued Shares**
1. Yee Lee Corporation Bhd ("**YLC**")	42,254,844	32.33	-	-
2. Yee Lee Holdings Sdn Bhd ("**YLH**")	18,352,000	14.04	697,332 [a]	0.53
3. AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	6,750,000	5.16	-	-
4. Lim A Heng @ Lim Kok Cheong ("**LKC**")	6,403,366	4.90	67,923,774 [b]	51.97
5. Lim Kok Boon ("**LKB**")	5,140,000	3.93	4,902,998 [c]	3.75
6. Chua Shok Tim @ Chua Siok Hoon ("**CSH**")	1,550,000	1.19	72,777,140 [d]	55.68
7. Lai Yin Leng ("**LYL**")	133,332	0.10	9,909,666 [e]	7.58
8. Yee Lee Organization Bhd ("**YLO**")	-	-	61,304,176 [f]	46.91
9. Unikampar Credit And Leasing Sdn Bhd ("**UCL**")	-	-	61,304,176 [g]	46.91
10. Uniyelee Sdn Bhd ("**UYL**")	-	-	61,304,176 [g]	46.91
11. Yeleta Holdings Sdn Bhd ("**YH**")	-	-	61,304,176 [h]	46.91
12. Young Wei Holdings Sdn Bhd ("**YW**")	-	-	61,304,176 [i]	46.91

Notes:-

[a] Deemed interest by virtue of 100% shareholding in Transworld Commodities (M) Sdn Bhd ("**TC**") pursuant to Section 6A of the Companies Act, 1965 ("**Act**").

[b] Deemed interest by virtue of shareholdings in Chuan Sin Resources Sdn Bhd ("**CSR**") and YW pursuant to Section 6A of the Act; and the shares held by his spouse, CSH and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 134(12)(c) of the Act.

[c] Deemed interest by virtue of shareholding in CSR pursuant to Section 6A of the Act; and the shares held by his spouse, LYL and child, Lim Seng Lee in the Company pursuant to Section 134(12)(c) of the Act.

[d] Deemed interest by virtue of shareholding in YW and deemed shareholding in CSR pursuant to Section 6A of the Act; and the shares held by her spouse, LKC and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 134(12)(c) of the Act.

[e] Deemed interest by virtue of deemed shareholding in CSR pursuant to Section 6A of the Act; and the shares held by her spouse, LKB and child, Lim Seng Lee in the Company pursuant to Section 134(12)(c) of the Act.

[f] Deemed interest held through YLC, YLH and deemed shareholding in TC pursuant to Section 6A of the Act.

[g] Deemed interest held through YLO pursuant to Section 6A of the Act.

[h] Deemed interest held through UCL and UYL pursuant to Section 6A of the Act.

[i] Deemed interest held through YH pursuant to Section 6A of the Act.

DIRECTORS' SHAREHOLDINGS (as per the Company's Register of Directors' Shareholdings)

Directors	Direct Interest Number of Issued Shares	Direct Interest % of Issued Shares	Deemed Interest Number of Issued Shares	Deemed Interest % of Issued Shares
1. Lim A Heng @ Lim Kok Cheong	6,403,366	4.90	67,923,774 [a]	51.97
2. Lim Kok Boon	5,140,000	3.93	4,902,998 [b]	3.75
3. Chuah Chaw Teo	138,666	0.10	-	-
4. Lam Sang	2,448,866	1.87	-	-
5. Chok Hooa @ Chok Yin Fatt	166,000	0.13	-	-
6. Nik Mohamad Pena bin Nik Mustapha	1,350,000	1.03	-	-
7. Mohd Adhan bin Kechik	3,661,332	2.80	-	-
8. Kuan Khian Leng	-	-	4,800,000 [c]	3.67

Notes:-

[a] Deemed interest by virtue of shareholdings in CSR and YW pursuant to Section 6A of the Act; and the shares held by his spouse, CSH and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 134(12)(c) of the Act.

[b] Deemed interest by virtue of shareholding in CSR pursuant to Section 6A of the Act; and the shares held by his spouse, LYL and child, Lim Seng Lee in the Company pursuant to Section 134(12)(c) of the Act.

[c] Deemed interest by virtue of shareholding in Unique Bay Sdn Bhd pursuant to Section 6A of the Act.

By virtue of Dato' Lim A Heng @ Lim Kok Cheong's interest in the shares of the Company, he is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has interest.

Analysis of Shareholdings
As at October 8, 2012

TOP THIRTY SECURITIES ACCOUNT HOLDERS

Shareholders	Number of Issued Shares	% of Issued Shares
1. Yee Lee Corporation Bhd	40,270,666	30.82
2. Yee Lee Holdings Sdn Bhd	18,352,000	14.04
3. AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	6,750,000	5.16
4. Lim A Heng @ Lim Kok Cheong	6,403,366	4.90
5. Lim Kok Boon	5,140,000	3.93
6. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Unique Bay Sdn Bhd	4,800,000	3.67
7. Chuan Sin Resources Sdn Bhd	4,664,000	3.57
8. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	4,139,100	3.17
9. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	3,918,866	3.00
10. Mohd Adhan bin Kechik	3,661,332	2.80
11. Lam Sang	2,448,866	1.87
12. Yee Lee Corporation Bhd	1,984,178	1.52
13. Chua Shok Tim @ Chua Siok Hoon	1,550,000	1.19
14. Nik Mohamad Pena bin Nik Mustapha	1,350,000	1.03
15. Jailani bin Abdullah	821,900	0.63
16. Zalaraz Sdn Bhd	785,000	0.60
17. CIMSEC Nominees (Asing) Sdn Bhd CIMB for Long Return Investments Limited	717,000	0.55
18. Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey)	714,000	0.55
19. Transworld Commodities (M) Sdn Bhd	697,332	0.53
20. Ng Tiow Min	620,000	0.47
21. Lai Ka Chee	546,000	0.42
22. Tan Eng Hoo	520,000	0.40
23. Yeoh Wooi Teong	485,132	0.37
24. Leong Toong Lok	437,332	0.34
25. Au Yang Tuan Kah	434,100	0.33
26. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Balraaj Singh A/L Tarlachon Singh	385,000	0.30
27. Low Geik Cheng	370,000	0.28
28. UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	325,000	0.25
29. Rosli bin Mamat	320,000	0.24
30. Chua Yew Hoe & Song Holdings Sdn Bhd	233,666	0.18
Total	**113,843,836**	**87.11**

Analysis of Warrant Holdings

As at October 8, 2012

Number of Warrants : 32,658,666
Number of Warrant Holders : 1,823

Distribution of Warrant Holders

	Number of Warrant Holders		Number of Warrant Held	
Size of Warrant Holdings	**Number**	**%**	**Number**	**%**
Less than 100	107	5.87	2,981	0.01
100 to 1,000 warrants	1,066	58.48	682,439	2.09
1,001 to 10,000 warrants	555	30.44	1,791,136	5.49
10,001 to 100,000 warrants	71	3.90	2,116,478	6.48
100,001 to less than 5% of warrants	21	1.15	11,722,132	35.89
5% and above of warrants	3	0.16	16,343,500	50.04
Total	**1,823**	**100.00**	**32,658,666**	**100.00**

SUBSTANTIAL WARRANT HOLDERS (as per the Company's Register of Substantial Warrant Holders)

	Direct Interest		Deemed Interest	
Substantial Warrant Holders	**Number of Warrants Held**	**% of Warrants Held**	**Number of Warrants Held**	**% of Warrants Held**
1. Yee Lee Corporation Bhd ("**YLC**")	10,564,185	32.35	-	-
2. Yee Lee Holdings Sdn Bhd ("**YLH**")	4,588,000	14.05	174,333 [a]	0.53
3. AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	1,687,500	5.17	-	-
4. Lim A Heng @ Lim Kok Cheong ("**LKC**")	1,600,841	4.90	16,981,417 [b]	52.00
5. Lim Kok Boon ("**LKB**")	1,275,000	3.90	1,225,749 [c]	3.75
6. Chua Shok Tim @ Chua Siok Hoon ("**CSH**")	387,500	1.19	18,194,758 [d]	55.71
7. Lai Yin Leng ("**LYL**")	33,333	0.10	2,467,416 [e]	7.56
8. Yee Lee Organization Bhd ("**YLO**")	-	-	15,326,518 [f]	46.93
9. Unikampar Credit And Leasing Sdn Bhd ("**UCL**")	-	-	15,326,518 [g]	46.93
10. Uniyelee Sdn Bhd ("**UYL**")	-	-	15,326,518 [g]	46.93
11. Yeleta Holdings Sdn Bhd ("**YH**")	-	-	15,326,518 [h]	46.93
12. Young Wei Holdings Sdn Bhd ("**YW**")	-	-	15,326,518 [i]	46.93

Notes:-

[a] Deemed interest by virtue of 100% shareholding in Transworld Commodities (M) Sdn Bhd ("**TC**") pursuant to Section 6A of the Companies Act, 1965 ("**Act**").

[b] Deemed interest by virtue of shareholdings in Chuan Sin Resources Sdn Bhd ("**CSR**") and YW pursuant to Section 6A of the Act; and the shares held by his spouse, CSH and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 134(12)(c) of the Act.

[c] Deemed interest by virtue of shareholding in CSR pursuant to Section 6A of the Act; and the shares held by his spouse, LYL and child, Lim Seng Lee in the Company pursuant to Section 134(12)(c) of the Act.

[d] Deemed interest by virtue of shareholding in YW and deemed shareholding in CSR pursuant to Section 6A of the Act; and the shares held by her spouse, LKC and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 134(12)(c) of the Act.

[e] Deemed interest by virtue of deemed shareholding in CSR pursuant to Section 6A of the Act; and the shares held by her spouse, LKB and child, Lim Seng Lee in the Company pursuant to Section 134(12)(c) of the Act.

[f] Deemed interest held through YLC, YLH and deemed shareholding in TC pursuant to Section 6A of the Act.

[g] Deemed interest held through YLO pursuant to Section 6A of the Act.

[h] Deemed interest held through UCL and UYL pursuant to Section 6A of the Act.

[i] Deemed interest held through YH pursuant to Section 6A of the Act.

Analysis of Warrant Holdings
As at October 8, 2012

DIRECTORS' WARRANT HOLDINGS (as per the Company's Register of Directors' Warrant Holdings)

	Direct Interest		Deemed Interest	
Directors	**Number of Warrants Held**	**% of Warrants Held**	**Number of Warrants Held**	**% of Warrants Held**
1. Lim A Heng @ Lim Kok Cheong	1,600,841	4.90	16,981,417 [a]	52.00
2. Lim Kok Boon	1,275,000	3.90	1,225,749 [b]	3.75
3. Chuah Chaw Teo	34,666	0.10	-	-
4. Lam Sang	604,716	1.85	-	-
5. Chok Hooa @ Chok Yin Fatt	36,500	0.11	-	-
6. Nik Mohamad Pena bin Nik Mustapha	337,500	1.03	-	-
7. Mohd Adhan bin Kechik	915,333	2.80	-	-
8. Kuan Khian Leng	-	-	1,200,000 [c]	3.67

Notes:-

[a] Deemed interest by virtue of shareholdings in CSR and YW pursuant to Section 6A of the Act; and the shares held by his spouse, CSH and children, Lim Ee Young and Lim Ee Wai in the Company pursuant to Section 134(12)(c) of the Act.

[b] Deemed interest by virtue of shareholding in CSR pursuant to Section 6A of the Act; and the shares held by his spouse, LYL and child, Lim Seng Lee in the Company pursuant to Section 134(12)(c) of the Act.

[c] Deemed interest by virtue of shareholding in Unique Bay Sdn Bhd pursuant to Section 6A of the Act.

TOP THIRTY WARRANT HOLDERS

Warrant Holders	Number of Warrants Held	% of Warrants Held
1. Yee Lee Corporation Bhd	10,068,000	30.83
2. Yee Lee Holdings Sdn Bhd	4,588,000	14.05
3. AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	1,687,500	5.17
4. Lim A Heng @ Lim Kok Cheong	1,600,841	4.90
5. Lim Kok Boon	1,275,000	3.90
6. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Unique Bay Sdn Bhd	1,200,000	3.67
7. Chuan Sin Resources Sdn Bhd	1,166,000	3.57
8. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	1,061,000	3.25
9. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	978,816	3.00
10. Mohd Adhan bin Kechik	915,333	2.80
11. Lam Sang	604,716	1.85
12. Yee Lee Corporation Bhd	496,185	1.52
13. Chua Shok Tim @ Chua Siok Hoon	387,500	1.19
14. Nik Mohamad Pena bin Nik Mustapha	337,500	1.03
15. Tan Eng Hoo	291,475	0.89
16. Jailani bin Abdullah	205,475	0.63
17. Zalaraz Sdn Bhd	196,250	0.60
18. Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey)	181,600	0.56
19. Lu Tee Yong	175,450	0.54
20. Transworld Commodities (M) Sdn Bhd	174,333	0.53
21. Lai Ka Chee	136,500	0.42
22. Maybank Nominees (Tempatan) Sdn Bhd Kok Yow Loong	120,300	0.37
23. Leong Toong Lok	109,333	0.33
24. Au Yang Tuan Kah	108.525	0.33
25. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Balraaj Singh A/L Tarlachon Singh	96,250	0.30
26. Yeoh Wooi Teong	89,508	0.28
27. Ooi Weng Hooi	80,000	0.24
28. Rosli bin Mamat	80,000	0.24
29. Cheah Meng Kean	63,800	0.20
30. Chua Yew Hoe & Song Holdings Sdn Bhd	60,916	0.19
Total	**28,536,106**	**87.38**

List of Properties

As at May 31, 2012

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/Gross Floor Area (sq. metres)	Carrying Amount RM'000	Date of Acquisition/ Valuation
Lot PT 121576, H.S. (D) 127812, Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Industrial land/ Factory/ Office complex	Factory/ Office 6 years	31,386/ 13,380	33,126	11.09.09
Lot No. 643 Geran 35453, PT 7580 Pajakan Negeri No. H.S. (D) 24493 (formerly part of Lot No. 129 CT 12779), PT 7581 Pajakan Negeri No. H.S. (D) 24494 (formerly part of Lot No. 129 CT 12779), Lot No. 135 Title No. Pajakan Negeri No 2577, Lot No. 898 Title Nos. Geran Mukim 300, Lot No. (P.T.) 4911 Surat Hakmilik H.S. (D) LM 15332, Lot No. 814 Geran Mukim 313, Lot No.388 EMR 753, Lot No.1574 EMR 630, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Lot 135 Leasehold expiring on 31.08.2890 PT 7580 & 7581 Leasehold expiring on 23.09.2890 Remaining Lots Freehold	Factory/ Office/ Staff quarters/ Agricultural/ Development land	Factory/Office 5 to 18 years Warehouse 14 years Staff quarters 6 to 8 years	193,238/ 38,381	21,282	31.05.10
Lot No. 454 Pajakan Negeri No 3176, Lot Nos.1595, 384, 386, 387, 10078, 10079, and (P.T.) 4912, Title Nos. Geran 31600 (formerly C.T. 7366), Geran Mukim 315, EMR 615, EMR 1374 and Surat Hakmilik H.S. (D) LM15333 respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Lot 454 Leasehold expiring on 28.11.2894 Remaining Lots Freehold	Staff quarters/ Agricultural/ Development land	Staff quarters 5 years	183,513/ 648	4,681	31.05.10
Lot No.9535 Pajakan Negeri No. 114421, Lot No.9538 Pajakan Negeri No. 114424, Lot No.9539 Pajakan Negeri No. 114425, Lot No.9540 Pajakan Negeri No. 114426, Lot No.9545 Pajakan Negeri No. 114431, Lot No.9546 Pajakan Negeri No. 114432, Lot No.9547 Pajakan Negeri No. 114433, Lot No.9548 Pajakan Negeri No. 114434, Title No. H.S. (D) L & M 2361, 2364, 2365, 2366, 2371, 2372, 2373 and 2374, respectively, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Leasehold expiring on 13.11.2084	8 units single storey terrace house	18 years	1,537/ 669	566	31.05.10

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/Gross Floor Area (sq. metres)	Carrying Amount RM'000	Date of Acquisition/ Valuation
Lot Nos. 181631, 181632, 181633 & 181642, Title Nos. Pajakan Negeri 89482, 89483, 89484 & 89493 respectively, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan.	Leasehold expiring on 17.10.2089	Factory/ Office building/ Vacant industrial land	Factory/ Office 19 years Warehouse 16 years	33,969/ 11,169	10,499	31.05.10
H.S. (M) 4162 No.P.T.D. 6382, H.S. (M) 4163 No.P.T.D. 6383, H.S. (M) 4164 No.P.T.D. 6384, H.S. (M) 4189 No.P.T.D. 6385, H.S. (M) 4188 No.P.T.D. 6386, Mukim Tanjong Sembrong (VII), Bukit Jintan, Johor Darul Takzim.	Freehold	Factory/ Office building	17 years	44,515/ 2,028	2,420	31.05.10
Lot No. 644 Geran 35454, Lot No. 130 CT 12780, Lot No. 131 CT 2974, Lot No. 902 EMR 663, Lot No. 903 EMR 664, Lot No. 904 EMR 665, Lot Nos. 125, 126, 10083, 10084 & 817, Lot No. 48 EMR 1000, Lot No. 827 EMR 539, Lot No. 1234 EMR 929, Lot No. 1235 EMR 928, Lot No. 1246 EMR 931, Lot No. 1466 EMR 1069, Lot No. 1043 CT 9668, Lot No. 455, Pajakan Negeri No. 2653 Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Lot 455 Leasehold expiring on 19.11.2893 Remaining Lots Freehold	Agricultural/ Development land	N/A	764,889	10,673	31.05.10
Lot No. 57253, Mukim of Bandar Kepong, District of Gombak, Selangor Darul Ehsan.	Freehold	Vacant industrial land	N/A	8,266	10,885	31.05.10
Lot No. P.T. 77 Title No. H.S. (D) Ka 6980/85, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	Leasehold expiring on 05.04.2066	Industrial/ Factory complex	29 to 46 years	4,047/ 2,539	1,656	31.05.10
Lot No. 10647 Title No.Pajakan Negeri 78371, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold expiring on 06.03.2050	Vacant industrial land	N/A	16,190	630	31.05.10

List of Properties
As at May 31, 2012

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/Gross Floor Area (sq. metres)	Carrying Amount RM'000	Date of Acquisition/ Valuation
Lot No. 3729 Title No. H.S. (D) L & M 124/75, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Leasehold expiring on 22.08.2035	Factory/ Office complex	19 to 38 years	1,028/ 782	693	31.05.10
Lot No. 11319 HSM 1854, Lot No. 11320 HSM 1855, Mukim of Tupai, District of Larut & Matang, Perak Darul Ridzuan.	Freehold	Commercial building	4 years	339	614	31.05.10

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SPRITZER

SPRITZER BHD (265348-V)
(Incorporated in Malaysia)

Form of Proxy

Number of shares held

I/We, ____
(Full name in block letters, Identity Card number/Company number)

of ____
(Address)

being a Member of **SPRITZER BHD**, hereby appoint ____

____
(Full name in block letters, Identity Card number/Company number)

of ____
(Address)

or failing whom, ____
(Full name in block letters, Identity Card number/Company number)

of ____
(Address)

as my/our proxy to vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on Wednesday, November 28, 2012 at 11.00 a.m. at Lot 898, Jalan Reservoir, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan, and at any adjournment thereof for/against* the resolutions to be proposed thereat.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended May 31, 2012 and the Reports of the Directors and Auditors thereon		
2.	To declare a first and final dividend		
3.	To approve the payment of Directors' fees		
4.	To re-elect Dato' Lim Kok Boon, DPMP as Director		
5.	To re-elect Y.B. Mohd Adhan bin Kechik, SMK as Director		
6.	To re-elect Lam Sang as Director		
7.	To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration		
8.	To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
9.	To approve the Proposed Shareholders' Mandate		
10.	To approve the Proposed Renewal of Authority to Purchase its Own Shares by Spritzer Bhd		

Dated this______________day of November 2012.

____
Signature/Common Seal of Member

* Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

Notes:-

(i) A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its Seal or the hand of its attorney.

(iii) A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy and such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

(iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

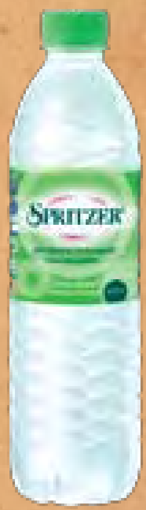
(v) This instrument duly completed must be deposited at the Registered Office of the Company at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the meeting.

Fold here to seal

STAMP

THE COMPANY SECRETARY
SPRITZER BHD
Lot 85, Jalan Portland
Tasek Industrial Estate
31400 Ipoh
Perak Darul Ridzuan
Malaysia

Fold here to seal



Lot 898, Jalan Reservoir
Off Jalan Air Kuning, 34000 Taiping
Perak Darul Ridzuan, Malaysia

www.spritzer.com.my