



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

Minutes of Thirty-First (31st) Annual General Meeting (“AGM” or “Meeting”) of Spritzer Bhd. (“Spritzer” or “Company”) held at Lot 898, Jalan Rservior, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan on Thursday, May 30, 2024 at 10.30 a.m.

PRESENT	As per attendance list
CHAIRMAN	Dato’ Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP
BY INVITATION	Mr. Lim Keng Peo (Deloitte PLT) Ms. Winnie Chin Puie Lee (Deloitte PLT) Mr. Alvin Chang Shu Wei (Deloitte PLT) Ms. Loke Theang Theang (Deloitte PLT)
IN ATTENDANCE	Mr. Sow Yeng Chong (Group Financial Controller) Ms. Tan Boon Ting (Company Secretary) Mr. Michael Tham Jia-Rong (Company Secretarial Executive)
POLL ADMINISTRATOR	Tricor Investor & Issuing House Services Sdn. Bhd. led by Encik Mohd Kamal Mohd Din.
INDEPENDENT SCRUTINEERS	Mr. Ong Min Seong from Asia Securities Sdn. Berhad.

The lists of directors, shareholders, corporate representatives and proxies who attended the Meeting are set out in the Attendance Summary attached and shall form an integral part of these Minutes.

CHAIRMAN OF MEETING

Dato’ Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP as the Chairman of the Company, was in the chair and commenced the proceedings of the 31st AGM of the Company. On behalf of the Board of Directors of the Company, the Chairman welcomed all the attendees to the Meeting.

QUORUM

With the requisite quorum being present, the Chairman called the Meeting to order.

VOTING

Before proceeding with the Meeting, the Chairman highlighted that pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Listing Requirements”), all the resolutions set out in the notice of Meeting would be put to vote by way of poll.

The Chairman also informed that Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) as the Poll Administrator to conduct the polling process and Asia Securities Sdn. Berhad. as the Independent Scrutineer to verify the poll result.

The polling process for the resolutions would be conducted upon the completion of the deliberation of all items to be transacted at the AGM.



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**CONTINUATION OF MINUTES OF THE THIRTY-FIRST ANNUAL GENERAL MEETING
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NOTICE OF MEETING

On the proposal of the Chairman and seconded by Mr. Chok Hooa @ Chok Yin Fatt, it was declared that the notice convening the AGM was taken as read.

COMPANY OVERALL PERFORMANCE

The Chairman invited Mr. Sow Yeng Chong, the Group Financial Controller to present a brief overview of Spritzer's performance for the financial year 2023, focused on the following areas:-

- Corporate Milestone
- Facts and Figures
- Financial Highlights
- Comparison to Pre-Pandemic Level
- Spritzer's Quarterly Results
- Competitive Advantage
- Business and Financial Outlook
- Sustainability Statement

The Chairman then proceeded with Item 1 of the Agenda which was to receive the Audited Financial Statements for the financial year ended December 31, 2023 and the Reports of the Directors and Auditors thereon.

AS ORDINARY BUSINESS

**AGENDA 1 – AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS
AND AUDITORS**

The Chairman informed that the Audited Financial Statements for the financial year ended December 31, 2023 and the Reports of the Directors and Auditors ("Audited Financial Statements and Reports") have been circulated to the Auditors and all members together with the notice of the Meeting in accordance with the requirements of the Companies Act 2016 ("Act").

It was noted that this agenda item is meant for discussion only and does not require a formal approval of shareholders and hence, would not be put for voting.

The Chairman then declared that the Audited Financial Statements and Reports were laid properly before the Meeting in accordance with the requirements of the Act and has been duly received.

RESOLUTION 1 – FIRST AND FINAL DIVIDEND

The Chairman informed that Resolution 1 was to declare a first and final dividend of 5.5 sen per share, under the single tier system, in respect of the financial year ended December 31, 2023.

Resolution 1 was duly proposed by Ms. Chow Shan Lee and seconded by Ms. Lee Mei Mei.



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RESOLUTIONS 2, 3 and 4

The Chairman proceed to the next resolution and informed that for Resolutions 2, 3, and 4, all the retiring directors, namely Mr. Chok Hooa @ Chok Yin Fatt, Mr. Lim Seng Lee and Mr. Tan Chow Yin have offered themselves for re-election as the Directors of the Company.

RESOLUTION 2 – RE-ELECTION OF MR. CHOK HOOA @ CHOK YIN FATT AS DIRECTOR

The Chairman informed that Resolution 2 was to re-elect Mr. Chok Hooa @ Chok Yin Fatt, who retired by rotation in accordance with Clause 85 of the Company's Constitution and, being eligible for re-election.

Resolution 2 was duly proposed by Dato' Gregory Wong Guang Seng and seconded by Dr. Chuah Chaw Teo.

RESOLUTION 3 – RE-ELECTION OF MR. LIM SENG LEE AS DIRECTOR

The Chairman then proceeded with Resolution 3 which was to re-elect Mr. Lim Seng Lee, who retired by rotation in accordance with Clause 85 of the Company's Constitution and, being eligible for re-election.

Resolution 3 was duly proposed by Mr. Chong Vai Ming and seconded by Dato' Gregory Wong Guang Seng.

RESOLUTION 4 – RE-ELECTION OF MR. TAN CHOW YIN AS DIRECTOR

The Chairman moved on and proceeded with Resolution 4 which was to re-elect Mr. Tan Chow Yin, who retired by rotation in accordance with Clause 85 of the Company's Constitution and, being eligible for re-election.

Resolution 4 was duly proposed by Dr. Chuah Chaw Teo and seconded by Dato' Gregory Wong Guang Seng.

RESOLUTION 5 – DIRECTORS' FEES

The Chairman informed that Resolution 5 was to approve the payment of Directors' fees amounting to RM427,500 in respect of the financial year ended December 31, 2023.

Resolution 5 was duly proposed by Dato' Gregory Wong Guang Seng and seconded by Mr. Michael Tham Jia-Rong.

RESOLUTION 6 – PAYMENT OF OTHER BENEFITS (EXCLUDING DIRECTORS' FEES) UP TO RM800,000 TO NON-EXECUTIVE DIRECTORS

The Chairman proceeded with Resolution 6 which was to approve the payment of other benefits (excluding Directors' fees) up to RM800,000 to the Non-Executive Directors from May 31, 2024 until the next AGM of the Company.

Resolution 6 was duly proposed by Mr. Chong Vai Ming and seconded by Ms. Chow Shan Lee.



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RESOLUTION 7 – RE-APPOINTMENT OF AUDITORS

Resolution 7 was in relation to the re-appointment of Deloitte PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.

The retiring Auditors, Deloitte PLT had indicated their willingness to accept re-appointment.

Resolution 7 was duly proposed by Ms. Lam Woei Torng and seconded by Dato' Gregory Wong Guang Seng.

AS SPECIAL BUSINESS

RESOLUTION 8 – AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS

Resolution 8 was in relation to the authority to issue shares and Waiver of Pre-Emptive rights.

The Chairman further informed that as clarified in the Explanatory Notes to the AGM notice, the renewed authority to issue shares is for the 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.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new ordinary shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company.

Resolution 8 was duly proposed by Dr. Chuah Chaw Teo and seconded by Mr. Chok Hooa @ Chok Yin Fatt.

RESOLUTION 9 – PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

Resolution 9 was to seek shareholders' approval on the Proposed Shareholders' Mandate which 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. The details of the Proposed Shareholders' Mandate are set out in Part A of the Circular to Shareholders dated April 30, 2024.

The Chairman further informed that the Board, except for the interested Directors, namely Dato' Lim Kok Boon, Mr. Lim Seng Lee, Mr. Lam Sang, Mr. Chok Hooa @ Chok Yin Fatt, Mr. Tan Chow Yin and himself, were of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

The Chairman also informed that all the interested parties had undertaken to ensure that the persons connected to them would abstain from voting on this resolution.

Resolution 9 was duly proposed by Ms. Chow Shan Lee and seconded by Ms. Lim He Yam.



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**RESOLUTION 10 – PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN
SHARES BY SPRITZER BHD (“PROPOSED SHARE BUY-BACK”)**

The Chairman proceeded with the Resolution 10 which was Proposed Share Buy-Back. This authority empowers the Company to purchase its own shares up to ten percent (10%) of the total number of issued shares of the Company at any given point in time through Bursa Malaysia Securities Berhad (“Bursa Securities”). The Board is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company.

Resolution 10 was duly proposed by Dr. Chuah Chaw Teo and seconded by Mr. Chong Vai Ming.

QUESTIONS AND ANSWERS SESSION

Upon tabling of all the resolutions, the Chairman passed the Questions and Answers Session to Mr. Sow Yeng Chong, the Group Financial Controller.

Mr. Sow informed that there were some questions received from the Minority Shareholders Watch Group (“MSWG”) prior to the AGM. He then proceeded to address the questions received from MSWG and a copy of the presentation on questions and answers is attached herein as per Annexure I.

Besides, Mr. Sow also addressed the questions from the shareholders and a copy of the questions and answers is attached herein as per Annexure II.

POLL VOTING SESSION

The Chairman invited the Poll Administrator from Tricor to explain the poll voting procedures. The members and/or proxies were advised to complete the poll slips which were provided to them during the registration, and drop the poll slips into the ballot boxes prepared by Tricor upon the completion of the casting of votes.

The Chairman informed that the conduct of voting by members and proxies and the validation of votes cast by Independent Scrutineers will take approximately 10 minutes to complete. The Meeting shall resume at approximately 12.30 p.m. for the declaration of the voting results.

The Meeting was then adjourned at 12.30 p.m. for the votes to be counted and to enable the Independent Scrutineers to present their report to the Chairman.

ANNOUNCEMENT OF POLL RESULTS

After the Independent Scrutineers had certified the poll results and submitted the poll results to the Chairman, the Chairman called the Meeting to order for the declaration of the poll voting results.



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ANNOUNCEMENT OF POLL RESULTS (CONT'D)

Based on the poll results as verified and validated by the Independent Scrutineers, the Chairman declared all the resolutions tabled in the Meeting as projected on the screen, **CARRIED** as follows:

No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
1.	To declare a first and final dividend of 5.5 sen per share, under the single tier system, in respect of the financial year ended December 31, 2023.	90	251,092,464	99.9659	2	85,750	0.0341

It was **RESOLVED** that a first and final dividend of 5.5 sen per share, under the single tier system in respect of the financial year ended December 31, 2023 be and is hereby declared payable on June 21, 2024 to Depositors whose names appear in the Record of Depositors at the close of business on June 7, 2024.

No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
2.	To re-elect Chok Hooa @ Chok Yin Fatt, who retiring in accordance with Clause 85 of the Company's Constitution.	76	230,970,464	92.0687	15	19,897,000	7.9313

It was **RESOLVED** that Chok Hooa @ Chok Yin Fatt be and is hereby re-elected to the Board.

No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
3.	To re-elect Lim Seng Lee, who retiring in accordance with Clause 85 of the Company's Constitution.	80	231,231,364	99.9628	4	86,100	0.0372

It was **RESOLVED** that Lim Seng Lee be and is hereby re-elected to the Board.



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No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
4.	To re-elect Tan Chow Yin, who retiring in accordance with Clause 85 of the Company's Constitution.	77	231,306,214	92.0885	15	19,872,000	7.9115

It was **RESOLVED** that Tan Chow Yin be and is hereby re-elected to the Board.

No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
5.	To approve the payment of Directors' fees amounting to RM427,500 in respect of the financial year ended December 31, 2023.	87	251,066,816	99.9556	5	111,398	0.0444

It was **RESOLVED** that the payment of Directors' fees amounting to RM427,500 for the financial year ended December 31, 2023 be approved.

No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
6.	To approve the payment of other benefits (excluding Directors' fees) up to RM800,000 to the Non-Executive Directors from May 31, 2024 until the next AGM of the Company.	82	231,949,306	99.8761	8	287,698	0.1239

It was **RESOLVED** that the payment of benefits up to RM800,000 to the Non-Executive Directors from May 31, 2024 until the next AGM of the Company be approved.



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No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
7.	To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	90	248,851,364	99.0736	2	2,326,850	0.9264

It was **RESOLVED** that the retiring Auditors, Deloitte PLT, having indicated their willingness to accept the re-appointment, be and are hereby appointed as Auditors for the ensuing year until the conclusion of the next AGM and that the Directors be authorised to fix their remuneration.

No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
8.	To authorise the Directors to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights	88	248,851,014	99.0735	4	2,327,200	0.9265

It was **RESOLVED** that the following ordinary resolution be passed:-

Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights

“THAT pursuant to the Companies Act 2016 (“Act”), the Constitution of the Company and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company, from time to time at such price, 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 percent (10%) of the total number of issued shares of the Company for the time being, and that pursuant to Section 85 of the Act read together with Clause 52 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of Spritzer to be offered new shares of the Company ranking equally to the existing issued shares arising from issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act; AND THAT the Directors be and are also empowered to obtain the approval for listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”); AND FURTHER THAT such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”



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No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
9.	To approve the Proposed Shareholders' Mandate	78	33,594,104	99.7444	4	86,100	0.2556

It was **RESOLVED** that the following ordinary resolution be passed:-

Proposed Renewal of Existing Shareholders' Mandate for 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/Statement to Shareholders dated April 30, 2024 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
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the period 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 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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.

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."



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No.	Description	Voted for			Voted Against		
		No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
10.	To approve the proposed renewal of authority to purchase its own shares by Spritzer Bhd.	88	251,092,114	99.9660	3	85,400	0.0340

It was **RESOLVED** that the following ordinary resolution be passed:-

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

“THAT, subject always to the Act, the provisions of the Constitution 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 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 percent (10%) of the total number of issued shares 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 retained profits of the Company.

THAT the Directors be and are hereby authorised, at their absolute discretion, to deal with the treasury shares which may be distributed as dividends, resold, transferred, cancelled and/or in any other manners as may be permitted or prescribed by the Act, the Listing Requirements and any applicable laws, rules, regulations, guidelines, requirements and/or orders of any other relevant authorities for the time being in force.

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,

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THAT the Directors of the Company be and are hereby empowered to do all such acts and enter into all such transactions, arrangements and agreements, and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions as may be necessary or expedient in order to give full effect to the proposed share buy-back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as the Directors may, in their absolute discretion, deem fit and in the interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

TERMINATION

There being no other business, the Meeting was concluded at 12.50 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

CHAIRMAN



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Operational & Financial Matters

1. Spritzer registered record financial performance in FY2024 with RM490.68 million in revenue and RM49.5 million in net profit. The robust performance was mainly driven by higher sales volume, better selling prices, lower cost of raw materials, economies of scale and better sales mix (page 5 of AR2023).

On economies of scale, how has the cost per unit of output changed year-on-year? Which element contributes to the lower cost of production? In terms of sales mix, which product segment led the growth in sales volume and the growth percentage?

Our gross profit margin has expanded to 43% in 2023 from 40% a year ago.

The increase in sales volume led to margin expansion due to economies of scale. The favourable sales mix and lower raw material cost also contributed to the margin improvement in 2023.

In 2023, we recorded a 15% increase in our bottled water sales with favourable sales mix. We had a higher increase in our mineral water sales, especially with our range of Spritzer mineral water products. The mineral water segment has a much higher margin than the drinking water segment due to better selling prices. In 2023, we experienced strong sales growth with our Spritzer range of products which has the best margin in our mineral water segment.

2. The Malaysian government recently announced a diesel subsidy rationalisation programme, which is expected to save the government around RM4 billion a year. In addition, the Government also announced a 2% hike in service tax to 8% at the beginning of 2024.

Concerns abound due to the spillover effect of higher service tax and the rollout of targeted subsidies for fuel that raise operating costs.

What is the impact of these policies on the operating costs of Spritzer, particularly the logistics and shipping costs? What is the strategy to mitigate potential margin compression?

The subsidy rationalisation scheme and higher tax charge will definitely lead to higher operating costs. Logistic cost is a major cost item in our business. Higher logistic cost will affect our margin. We are monitoring the situation closely and at the same time, we need to improve our processes and overall efficiency to minimise the higher cost impact. We also need to grow our sales volume and improve our sales mix further to protect our margins.

As of now, we are absorbing the extra cost and have not adjusted our selling prices. However, if costs escalate further, we may need to adjust our selling prices.



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Operational & Financial Matters (cont'd)

3. Public Invest Research reports mentioned that Spritzer plans to install two new lines in Taiping and Yong Peng to boost its annual capacity to 1.2 billion litres from 1 billion litres currently.

How is the progress of installing the two new lines? What is the capital outlay for the capacity expansion?

Besides, the new line in Yong Peng would serve the strategic purpose of growing the business in Singapore.

What impact would the new line bring about, as the Yong Peng plant is already adjacent to Singapore and serving the market? What is Spritzer's current market standing in Singapore?

We have successfully installed and commission our two additional production lines in the first quarter of 2024. The capex is more than RM30 million and our annual production capacity has increased from 1 billion litres to 1.2 billion litres.

With the current robust demand for bottled water, these 2 lines couldn't come in at a better time. With one line in Taiping and the other in Yong Peng, we will be able to improve our sales delivery and ease the demand pressure.

We are putting in extra efforts to grow our sales in Singapore. The line in Yong Peng will provide good support to our Singapore sales. However, our sales of Spritzer brand products to Singapore have to be supplied by our Taiping mineral water plant as the Spritzer brand of products are only produced in our Taiping plant.

Our current market share in the Singapore bottled water industry is not significant, probably just single digit percentage.

4. On 23 December 2022, Spritzer's wholly-owned subsidiary Chuan Sin Sdn Bhd acquired a 30% stake in The Tapping Tapir Sdn Bhd (TTT) for RM2.25 million. TTT is involved in the production and distribution of naturally flavoured sparkling sodas (page 5 of AR2023). With the acquisition, TTT is now a 30% associate company of Spritzer.

What is the basis of valuation (i.e., P/E, P/B ratio) accorded to the transaction?

What potential or prospect did Spritzer see in TTT? How does the acquisition create synergy for Spritzer?

In our evaluation and in arriving at our decision, we looked at TTT's earnings and financials, its business model and operations, products and branding, the percentage of equity participation and most importantly, the operational and strategic fit.

We view the investment as earnings accretive and operationally synergistic. With our equity participation, we intend to expand TTT's product offerings within the carbonated fruit extract segment. Moreover, leveraging on our extensive distribution network, TTT stands to gain enhanced market access, thereby contributing positively to our earnings.



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Sustainability Matters

1. Spritzer targets achieving carbon neutrality, a status when carbon emission is equal to carbon sequestration, by 2030.

While emissions data is disclosed, Spritzer has not included the carbon sequestration data in its annual report. As of 31 December 2023, how many acres of Spritzer's landbank in Taiping and Yong Peng are covered by tropical rainforests? What is the amount of carbon dioxide absorbed by forests?

Spritzer stated that its carbon emission is equivalent to carbon sequestration (page 18 of AR2023). Does this mean the Company has already achieved carbon neutral status? How far is the Group from achieving carbon neutrality? Please clarify.

Currently, Spritzer's land banks in Taiping and Yong Peng are 430 acres and 46 acres respectively, with significant portions covered by tropical rain forests. Spritzer is focused on enhancing our environmental reporting and plans to provide accurate data on carbon sequestration in our future sustainability disclosures.

Spritzer's statement that its carbon emission is equivalent to carbon sequestration indicates significant progress toward achieving carbon neutrality, but it does not mean the company has already reached this status. The company has taken proactive steps toward this goal by implementing relevant sustainability measures such as green building construction /upgrade, improving energy efficiency, and integrating renewable energy sources, notably solar photovoltaic (PV) panels. Additionally, Spritzer plans to leverage on carbon sequestration in our land bank as a key strategy for further offsetting carbon emissions. The combination of these efforts' will position Spritzer well on its path to achieving carbon neutrality by the 2030 target.

2. Due to the business nature of Spritzer, sustainable packaging (under the Cradle-to-Gate material matter) remains a significant concern for stakeholders.

With the use of recycled material (rPET) for all variants of Spritzer Natural Mineral Water since July 2022, what was the estimated volume of virgin PET material avoided?

Has the use of rPET expanded to other products to reduce the reliance on virgin PET material? What is Spritzer's current level of dependency on virgin PET material in percentage terms?

What key improvements were made to Spritzer's product packaging in the past year? What is the measurable impact of these initiatives on the environment?

Since 2022 Spritzer has been progressively expanding the use of recycled PET (rPET) and aiming to further reduce our reliance on virgin PET materials. Currently, rPET constitutes less than 10 of our PET consumption. We are actively working towards a target of 25% rPET use for our Spritzer products by year 2030. This initiative is part of our broader commitment to enhance sustainability in our packaging and reduce the environmental impact.



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Sustainability Matters (cont'd)

Question No. 2 (cont'd)

From the time when we started producing bottled water in 1989 Spritzer has made significant enhancements to our product packaging to bolster our commitment to sustainability by constantly reducing the weights of our bottles. We wish to emphasise that all our bottles and 100% recyclable.

Spritzer is one of the founding members of Malaysian Recycling Alliance (MAREA), which focuses on enhancing the recycling rate and promoting sustainable packaging waste management practices. This alliance was established in 2021. As a member, Spritzer contributes to MAREA's goals of improving recycling rates, promoting the use of recycled materials, and minimising environmental impacts as well as better packaging waste management practices.

Our membership with MAREA affirms our commitment to Extended Producer Responsibility (EPR), which involves taking responsibility for the entire life cycle of our products, including the post-consumer collection. By participating in EPR initiatives, Spritzer ensures that our packaging is collected, recycled and repurposed, minimising environmental impact and supporting the creation of a circular economy.

3. Under the Enterprise Risk Management Framework - Anti Corruption (page 24 of AR2023), the percentage of employees who have received training on anti-corruption by employee category was zero across all employee categories over the past three years.

Besides, the percentage of operations assessed for corruption-related risks was also zero for the past three years.

Does this mean that no anti-corruption-related training was carried out in the last three years? If yes, why was such training not provided to employees?

Why were there no operations assessed for corruption-related risks in the past?

When will the Company start providing the relevant training and assessing operations for corruption risks?

Spritzer has an Anti-Bribery & Anti-Corruption Policy and a related programme in place, which include:

- i. Onboarding training: All new employees undergo anti-corruption training as part of their introduction to the company**
- ii. Annual pledge: Every year, employees reaffirm their commitment to uphold ethical standards and reject corruption through a formal pledge**
- iii. Ongoing training and awareness programs: We have actually conducted a few in-house virtual and physical training sessions with our employees in 2023 to ensure continuous awareness and adherence to our anti-corruption policy and practices**

However, our current system has limitations in capturing the percentage of training completion by employee category. As per the ESG Reporting Platform of Bursa Malaysia, data that is not readily available cannot be stated, thus resulting in the zero figures.



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Sustainability Matters (cont'd)

Question No. 3 (cont'd)

We are taking steps to improve our data capture mechanisms to ensure more accurate reporting in future sustainability reports/statements. It may be possible for us to insert the correct 2023 percentage number in the said ESG data table next year.

It should also be noted that Spritzer has a clean record that we don't have any reported case of corruption.

On not having done any corruption risk assessment on our various operations, we acknowledge this gap. We are taking steps to conduct corruption risk assessments on our "higher risk" operations, and to enhance our governance and compliance framework.

Nevertheless, our management has looked at the Group's corruption risk holistically and in view of the nature of our business operations and our anti-corruption policy and procedures that we have put in place, we are of the view that the corruption risk of our Group is not high.

4. Referring to the ESG Performance Data Table on page 52 of AR2023, the Table showed the total volume of water used was 0.00 megalitres for the past three years.

Are the manufacturing and production of mineral water products operating without water usage entirely? Please clarify.

The ESG Performance Data Table listing of total water usage in the past three years does not reflect the actual water consumption in our manufacturing and production processes. This is due to technical challenges in segregating the water consumption data between production activities and domestic use across all subsidiaries. Spritzer is actively addressing these issues to refine our data collection and reporting systems.

As stated earlier, per the ESG Reporting Platform of Bursa Malaysia, data not readily available cannot be stated, thus resulting in zero figures.

Also as stated earlier, it may be possible for us to insert the correct 2023 water usage number in the ESG data table next year.



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Corporate Governance Matters

1. We note that Spritzer has incorporated sustainability-related matters in assessing board members and senior management (Practice 4.4 of the Malaysian Code on Corporate Governance, page 18 of Corporate Governance Report 2023).

Please provide the list of quantitative ESG KPIs included in the evaluation of GCEO and EXCO in FY2023. How did they perform in relation to these KPIs?

What was the weightage of the ESG KPIs (by percentage) vis-à-vis operational and financial metrics in the overall performance evaluation of the Board and senior management?

Moving forward, what are the sustainability matters that are closely related to Spritzer's operations that warrant more focus and attention from the Board and senior management?

The two key ESG KPIs used are:

- (1) 25% rPET use in our Spritzer products by year 2030 and**
- (2) Carbon neutrality by year 2030.**

We are monitoring these numbers regularly and we are on track.

The Board and EXCO are also focusing on other ESG matters like circular economy, biodiversity and waste management.

2. Spritzer incurred a total Other Emoluments of RM1.28 million (page 74 of AR2023) compared to RM1.48 million in the year before.

What do the Other Emoluments comprise? What factors affect the amount of emoluments received by executive directors, as the amounts vary from year to year?

Former independent non-executive directors, namely Dato Mohamad Pena bin Nik Mustapha and Dato' Mohd Adhan bin Kechik, who resigned in March 2023, received emoluments amounting to RM53,000 and RM59,300, respectively, in FY2023. Meanwhile, they did not receive directors' fees from the Company.

What is the nature of the Other Emoluments paid to the two directors? Why did they receive Other Emoluments instead of directors' fees for their three-month service in FY2023?

Other Emoluments comprise of EPF contributions, allowances, and gratuity. The amount of EPF contribution varies according to the remunerations payable.

The two former directors would not be paid any directors' fee in FY2023. The payment made to them were gratuity and allowances which have been duly approved by our Remuneration Committee and Board.



Q&A Session during the 31st Annual General Meeting

1. **What is the projected capital expenditure (“CAPEX”) for 2024, and how does the Company plan to allocate these funds?**

For the financial year 2024, the Company has allocated an estimated CAPEX of approximately RM70 million to RM80 million. The CAPEX funds will be utilized primarily for operational upgrades and capacity enhancements, including:

- i) Upgrading the existing carbonated production line to improve efficiency and productivity.
- ii) Upgrading the Automated Storage and Retrieval System (“ASRS”) to support higher inventory capacity and streamline warehouse operations.

2. **What is the current utilization rate for each production line, and is it achievable to raise it above 80%?**

Achieving a consistent utilization rate above 80% is challenging, as it would require all stages of the production process to run without any disruptions, which is not always feasible.

Spritzer's production process includes several critical stages such as blowing, washing, filling, labelling, and coding, and each of these stages is interdependent. If there is an issue or disruption at any stage, it can cause delays or inefficiencies that lower the overall utilization rate.

Moreover, since Spritzer operates dedicated production lines, any problem with one part of the process can directly affect the entire line's performance, making it difficult to maintain higher-than-average utilization without downtime.

3. **What is the progress of the Merger & Acquisition (“M&A”) plan?**

The Company is currently still in the exploration stage of its M&A plan. In the meantime, we continue to expand portfolio into our Group, such as venture into The Tapping Tapir, as part of our strategy to diversify product offerings and strengthen our market presence.

4. **Will Spritzer strengthen its event promotion strategy through social media platforms such as TikTok and Xiao Hong Shu, and consider engaging KOLs and KOCs to boost outreach?**

We appreciate the valuable suggestion from shareholder and is committed to enhancing the visibility of its events and brand engagement. Currently, Spritzer has already engaged several well-known Key Opinion Leaders (“KOLs”) to help promote its events and products across key digital platforms.

In line with current consumer trends, Spritzer is actively utilizing social media platforms such as TikTok, Xiao Hong Shu, Facebook, and Instagram to reach wider and younger audiences. The Company will continue to explore opportunities to collaborate with both KOLs and Key Opinion Consumers (“KOCs”) to further boost event exposure and strengthen its brand presence.

Spritzer also plans to host more upcoming events and will take further actions to ensure effective promotion through digital and influencer-driven channels.



Q&A Session during the 31st Annual General Meeting (Cont'd)

5. **What disposal-related risks is the Company managing, and how does it plan to mitigate these risks?**

We use a small quantity of chemicals in its production processes, which results in minimal chemical waste. The Company has implemented proper waste disposal management practices in full compliance with regulatory requirements to ensure that any waste generated is handled responsibly and safely.

To mitigate disposal-related risks, Spritzer continuously reviews and improves its environmental management systems, including engaging licensed waste management providers and adhering to scheduled waste disposal standards set by authorities. This approach ensures minimal environmental impact and reduces the risk associated with improper disposal.

6. **What is the total workforce of Spritzer Group, including technical and non-technical staff? How many foreign workers are employed, and what steps has the Company taken to ensure compliance with Malaysian labor laws regarding foreign workers?**

The total workforce for the entire Spritzer Group exceeds 1,000 employees, comprising both technical and non-technical staff. Our Group do employ foreign workers, and they are provided with the same benefits as domestic workers. Spritzer also ensures that adequate accommodation is provided for foreign employees as part of their employment terms.

Spritzer is fully committed to complying with the rules and regulations set forth by the Ministry of Human Resources in Malaysia. The Company's practices are regularly audited by customers, suppliers, and the Ministry of Health Malaysia (MOH), with only minimal findings, demonstrating the Company's strong adherence to legal and ethical labor standards.