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Shareholders should rely on their own evaluation to assess the merits and risks of the proposals set out herein.



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

PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE;**

PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES
BY SPRITZER BHD**

The resolutions in respect of the proposals will be tabled at Spritzer Bhd's Twenty-Seventh (27th) Annual General Meeting ("AGM"), details of which are set out below:

Date and time of the AGM : Tuesday, July 28, 2020 at 10.30 a.m.

Venue of the AGM : Ground Floor Function Room, Flemington Hotel of No 1, Jalan Samanea Saman, 34000 Taiping, Perak Darul Ridzuan, Malaysia

The notice of the 27th AGM and the Form of Proxy are set out in the Company's Annual Report for the year ended December 31, 2019 which is despatched together with this Circular/ Statement.

The appointment of proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be submitted to the Company's Share Registrar's Office at Tricor Investor & Issuing House Services Sdn Bhd of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of electronic appointment, the Form of Proxy must be deposited via TIIH Online at <https://tjih.online>. Please refer to the Annexure to the Form of Proxy for further information on electronic submission.

All Proxy Forms submitted must be received by the Company not less than twenty four (24) hours before the appointed time for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so. The last date and time for lodging the Proxy Form is on July 27, 2020 at 10.30 a.m.

DEFINITIONS

For the purpose of this Circular/ Statement and the accompanying appendix, except where the context otherwise requires, the following definitions will apply:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
ASAP INT	:	ASAP International Sdn Bhd [201501032660 (1157980-X)]
Board or Director(s)	:	The Board of Directors of Spritzer for the time being
Bursa Securities	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
CB INT	:	Cranberry International Sdn Bhd [201601017551 (1188484-X)]
CM	:	Cactus Marketing Sdn Bhd [199601004743 (377089-X)]
CS	:	Chuan Sin Sdn Bhd [197701001996 (33008-V)]
CSR	:	Chuan Sin Resources Sdn Bhd [199401031336 (293899-T)]
EPS	:	Earnings per Share
GPI	:	Golden PET Industries Sdn Bhd [196701000242 (7195-W)]
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
LPD	:	June 2, 2020, being the latest practicable date prior to the printing of this Circular/ Statement
Major Shareholder(s)	:	<p>A person who has an interest or interests in one or more voting Shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those Shares, is:</p> <p>(a) 10% or more of the aggregate of the nominal amounts of all the voting Shares in the Company; or</p> <p>(b) 5% or more of the aggregate of the nominal amounts of all the voting Shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of this definition, “interest in Shares” shall have the meaning given in Section 8 of the Act.</p>
MB	:	Multibase Systems Sdn Bhd [198901007731 (185033-D)]
PET	:	Polyethylene Terephthalate
Person(s) Connected	:	As defined in Chapter 1, Paragraph 1.01 of the Listing Requirements
Proposed Shareholders’ Mandate	:	Proposed renewal of existing shareholders’ mandate for Spritzer Group to enter into Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties in the ordinary course of business

DEFINITIONS (cont'd)

Proposed Share Buy-Back	:	The proposed renewal of authority for the purchase of up to ten per cent (10%) of its total number of issued shares by Spritzer at any one point of time
Recurrent Related Party Transactions	:	Related party transactions which are recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of Spritzer Group
Related Party(ies)	:	Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)
RM and sen	:	Ringgit Malaysia and sen respectively
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, as amended from time-to-time and any re-enactment thereof
STG	:	Sabah Tea Garden Sdn Bhd [201201044049 (1028526-W)]
Share(s)	:	Ordinary share(s) in Spritzer
Spritzer or Company	:	Spritzer Bhd [199301010611 (265348-V)]
Spritzer Group or Group	:	Spritzer and its subsidiary companies
Subsidiary Companies	:	Angenet Sdn Bhd, Chuan Sin Sdn Bhd, Chuan Sin Cactus Sdn Bhd, Golden PET Industries Sdn Bhd, Spritzer EcoPark Sdn Bhd, PET Master Sdn Bhd, Spritzer (Hong Kong) Limited and Spritzer (Guangzhou) Trading Limited, all of which are 100% owned by Spritzer
Substantial Shareholders	:	A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares included in the Company as defined under Section 136 of the Act
TASCO	:	TASCO Berhad [197401003124 (20218-T)]
UCL	:	Unikampar Credit And Leasing Sdn Bhd [198001011725 (65511-A)]
UE	:	Unipon Enterprise Sdn Bhd [198401001337 (113858-U)]
UYL	:	Uniyeelee Sdn Bhd [198101006734 (72848-M)]
YH	:	Yeleta Holdings Sdn Bhd [198501002817 (135259-U)]
YLC	:	Yee Lee Corporation Bhd [197301000057 (13585-A)]
YLC Group of Companies	:	Yee Lee Corporation Bhd and its subsidiary companies including Yee Lee Edible Oils Sdn Bhd, Yee Lee Trading Co Sdn Bhd, Mini Motors Sdn Bhd, Yee Lee Marketing Sdn Bhd, Yee Lee Palm Oil Industries Sdn Bhd, Sementra Plantations Sdn Bhd, Sementra Resort Sdn Bhd, South East Asia Paper Products Sdn Bhd, Canpac Sdn Bhd, Canpac Vietnam Pte Ltd, Intanwasa Sdn Bhd, Desa Tea Sdn Bhd, Sabah Tea Sdn Bhd and Sabah Tea Resort Sdn Bhd, all of which are 100% owned by YLC
YLH	:	Yee Lee Holdings Sdn Bhd [198501008320 (140765-W)]
YLTC	:	YLTC Sdn Bhd [201701041932 (1256105-X)]

DEFINITIONS *(cont'd)*

YLO	:	Yee Lee Organization Bhd [197301003196 (16637-T)]
YLOF	:	Yee Lee Oils and Foodstuffs (Singapore) Pte Ltd (197900006-K)
YW	:	Young Wei Holdings Sdn Bhd [198501005542 (137983-V)]

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PART A

**PROPOSED RENEWAL OF
EXISTING SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**



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

Registered Office

Lot 85, Jalan Portland
Tasek Industrial Estate
31400 Ipoh
Perak Darul Ridzuan

June 29, 2020

Board of Directors

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

Dato' Lim Kok Boon, DPMP (*Managing Director*)

Lim Seng Lee (*Executive Director and Group Chief Executive Officer*)

Lam Sang (*Executive Director*)

Chok Hooa @ Chok Yin Fatt, PMP (*Non-Independent Non-Executive Director*)

Dato' Ir. Nik Mohamad Pena bin Nik Mustapha, DIMP (*Independent Non-Executive Director*)

Dato' Mohd Adhan bin Kechik, DJMK, SMK (*Independent Non-Executive Director*)

Dato' Sri Kuan Khian Leng, S.S.A.P. (*Independent Non-Executive Director*)

Tan Chow Yin (*Non-Independent Non-Executive Director*)

To : The Shareholders of Spritzer

Dear Sir/Madam,

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the 26th AGM of the Company held on May 30, 2019, shareholders' approval was obtained to enable the Company and its Subsidiary Companies to enter or continue to enter into Recurrent Related Party Transactions 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 of the Company.

The authority for the existing mandate shall lapse at the conclusion of the forthcoming 27th AGM unless authority for its renewal is obtained from its shareholders.

The purpose of Part A of this Circular/ Statement is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 27th AGM of the Company.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, Spritzer may seek a shareholders' mandate in respect of the Recurrent Related Party Transactions subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements;
- (iii) Spritzer to issue a circular to shareholders for the shareholders' mandate includes the information as may be prescribed by the Bursa Securities;
- (iv) in a meeting to obtain shareholders' mandate, the interested directors, interested Major Shareholders or interested Persons Connected with a director or Major Shareholder, and where it involves the interest of an interested Person Connected with a director or Major Shareholder, such director or Major Shareholder must not vote on the resolution approving the transactions. An interested director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (v) Spritzer immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by Spritzer Group, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular to shareholders by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Validity Period

The Proposed Shareholders' Mandate if approved by the shareholders shall take effect from the passing of the ordinary resolution to be proposed at the forthcoming 27th AGM of the Company and will 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.

Thereafter, approval from the shareholders for subsequent renewals will be sought at each subsequent AGM of the Company.

2.3 Details of Spritzer Group

It is envisaged that in the normal course of business, Spritzer Group has entered into certain Recurrent Related Party Transactions and it is anticipated that the companies within Spritzer Group would continue to enter into such transactions with the Related Parties. It is likely that the transactions will occur with some degree of frequency and could arise at any time.

In view of the above, the Company is seeking shareholders' approval for the Proposed Shareholders' Mandate which will allow Spritzer Group to enter and continue to enter into Recurrent Related Party Transactions with Related Parties without the necessity, in most instances, to make the required announcements or to convene meetings in order to procure specific prior approval from its shareholders.

The principal activity of Spritzer is an investment holding while the principal activities of its Subsidiary Companies are as follows:

<u>Subsidiary Companies</u>	<u>Effective Equity Interest</u>	<u>Principal Activities</u>
Angenet Sdn Bhd	100%	Manufacturing and selling of bottled water.
Chuan Sin Sdn Bhd	100%	Production of natural mineral water, carbonated flavoured water, distilled water, drinking water and non-carbonated flavoured water.
Chuan Sin Cactus Sdn Bhd	100%	Distribution of bottled water and other consumer products.
Golden PET Industries Sdn Bhd	100%	Manufacturing and selling of PET preforms, PET bottles, caps, toothbrushes and other plastic products.
PET Master Sdn Bhd	100%	Manufacturing and selling of PET preforms
Spritzer EcoPark Sdn Bhd	100%	Operator of a mini golf course and recreational park.
Spritzer (Hong Kong) Limited	100%	Investment holding
Spritzer (Guangzhou) Trading Limited	100%	Distribution of bottled water and other consumer products

Disclosure will be made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate during the current financial year and in the annual report of the subsequent years during which the Proposed Shareholders' Mandate is in force, amongst others, based on the following information:

- (i) the type of the Recurrent Related Party Transactions made; and
- (ii) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationships with the Company.

2.4 Nature of Recurrent Related Party Transactions contemplated under the Proposed Shareholders' Mandate

(i) Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if renewed and granted covers transactions entered into by Spritzer Group in the ordinary course of business, is as set out below:

Related Parties and nature of transaction	Estimated aggregate value during the validity period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")* (RM'000)#	Estimated value as disclosed in Circular to Shareholders dated April 30, 2019 ("Estimated Value") (RM'000)#	Actual value transacted (from date of AGM on May 30, 2019 up to LPD) ("Actual Value") (RM'000)#	Relationship between Spritzer and the Related Parties
(1) MB • Provision of secretarial services to Spritzer Group	50	50	25	Note 1
(2) UCL • Provision of hire purchase facilities to Spritzer Group • Purchase of bottled water from Spritzer Group	1,000 10	1,000 10	- 1	Note 2
(3) YLOF • Purchase of bottled water from Spritzer Group • Purchase of toothbrushes from Spritzer Group	8,000 200	8,000 200	5,158 56	Note 3

Related Parties and nature of transaction	Estimated aggregate value during the validity period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")* (RM'000)#	Estimated value as disclosed in Circular to Shareholders dated April 30, 2019 ("Estimated Value") (RM'000)#	Actual value transacted (from date of AGM on May 30, 2019 up to LPD) ("Actual Value") (RM'000)#	Relationship between Spritzer and the Related Parties
<p>(4) YLC Group of Companies</p> <ul style="list-style-type: none"> • Purchase of PET bottles from Spritzer Group • Purchase of toothbrushes from Spritzer Group • Purchase of bottled water from Spritzer Group • Sales of edible oil and other consumer products to Spritzer Group • Sales of carton boxes to Spritzer Group • Provision of transport services to Spritzer Group • Provision of internal audit services to Spritzer Group <p>Note : Internal audit services will be provided by YLEO to Spritzer Group from time to time</p>	<p>15,000</p> <p>2,000</p> <p>180,000</p> <p>2,500</p> <p>8,000</p> <p>100</p> <p>80</p>	<p>15,000</p> <p>2,000</p> <p>200,000</p> <p>2,500</p> <p>8,000</p> <p>100</p> <p>80</p>	<p>6,786</p> <p>380</p> <p>138,731</p> <p>696</p> <p>2,825</p> <p>4</p> <p>39</p>	<p>Note 4</p>
<p>(5) CM</p> <ul style="list-style-type: none"> • Purchase of bottled water from Spritzer Group • Rental of premise payable monthly to Spritzer Group <p>Address : No 1, Jalan Sitar 33/6, Seksyen 33, 40400 Shah Alam, Selangor Darul Ehsan</p> <p>Area : 8,707 sq ft</p> <p>Duration : 1 year</p> <p>Purpose : Office and warehouse</p> <p>Rental : RM108,000 per annum</p> <ul style="list-style-type: none"> • Provision of transport services to Spritzer Group 	<p>10,000</p> <p>130</p> <p>500</p>	<p>12,000</p> <p>130</p> <p>20</p>	<p>4,966</p> <p>108</p> <p>3</p>	<p>Note 5</p>
<p>(6) UE</p> <ul style="list-style-type: none"> • Purchase of recycle material from Spritzer Group 	<p>300</p>	<p>800</p>	<p>181</p>	<p>Note 6</p>

Related Parties and nature of transaction	Estimated aggregate value during the validity period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")* (RM'000)#	Estimated value as disclosed in Circular to Shareholders dated April 30, 2019 ("Estimated Value") (RM'000)#	Actual value transacted (from date of AGM on May 30, 2019 up to LPD) ("Actual Value") (RM'000)#	Relationship between Spritzer and the Related Parties
<p>(7) STG</p> <ul style="list-style-type: none"> • Purchase of bottled water from Spritzer Group • Sale of goods and services to Spritzer Group • Rental of premise payable to Spritzer Group <p>Address : Lot 10079, Off Jalan Air Kuning, 34000 Taiping, Perak Darul Ridzuan</p> <p>Area : 4,385 sq ft Duration : 1 year Purpose : Cafeteria Rental : RM100,000 per annum</p>	<p style="text-align: right;">20</p> <p style="text-align: right;">170</p> <p style="text-align: right;">100</p>	<p style="text-align: right;">20</p> <p style="text-align: right;">170</p> <p style="text-align: right;">100</p>	<p style="text-align: right;">5</p> <p style="text-align: right;">78</p> <p style="text-align: right;">40</p>	<p style="text-align: center;">Note 7</p>
<p>(8) YLTC</p> <ul style="list-style-type: none"> • Purchase of bottled water from Spritzer Group 	<p style="text-align: right;">30,000</p>	<p style="text-align: right;">30,000</p>	<p style="text-align: right;">17,245</p>	<p style="text-align: center;">Note 8</p>
<p>(9) ASAP INT</p> <ul style="list-style-type: none"> • Rental of premise payable monthly to Spritzer Group <p>Address : No 1, Jalan Sitar 33/6, Seksyen 33, 40400 Shah Alam, Selangor Darul Ehsan</p> <p>Area : 2,245 sq ft Duration : 1 year Purpose : Office Rental : RM45,600 per annum</p>	<p style="text-align: right;">80</p>	<p style="text-align: right;">80</p>	<p style="text-align: right;">46</p>	<p style="text-align: center;">Note 9</p>

Related Parties and nature of transaction	Estimated aggregate value during the validity period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value")* (RM'000)#	Estimated value as disclosed in Circular to Shareholders dated April 30, 2019 ("Estimated Value") (RM'000)#	Actual value transacted (from date of AGM on May 30, 2019 up to LPD) ("Actual Value") (RM'000)#	Relationship between Spritzer and the Related Parties
<p>(10) CB INT</p> <ul style="list-style-type: none"> • Purchase of bottled water from Spritzer Group • Rental of premise payable monthly to Spritzer Group <p>Address : No 1, Jalan Sitar 33/6, Seksyen 33, 40400 Shah Alam, Selangor Darul Ehsan</p> <p>Area : 3,367 sq ft</p> <p>Duration : 1 year</p> <p>Purpose : Office</p> <p>Rental : RM68,400 per annum</p>	<p style="text-align: right;">20</p> <p style="text-align: right;">80</p>	<p style="text-align: right;">20</p> <p style="text-align: right;">80</p>	<p style="text-align: right;">14</p> <p style="text-align: right;">68</p>	<p style="text-align: center;">Note 10</p>

None of the Actual Value of the Recurrent Related Party Transactions as disclosed above has exceeded the Estimated Value by ten percent (10%) or more.

Notes:

* The Current Estimated Value of transactions from the forthcoming 27th AGM to the next AGM is based on budgets. However, actual amounts to be transacted may vary.

The figures are rounded to the nearest thousand.

- Note 1 – MB is a wholly-owned subsidiary company of UCL, which are ultimately held by YW. Dato' Lim A Heng @ Lim Kok Cheong, Datin Chua Shok Tim @ Chua Siok Hoon, YH and YW are deemed Major Shareholders of Spritzer and MB. UCL is a deemed Major Shareholder of Spritzer. Dato' Lim A Heng @ Lim Kok Cheong is a Director of Spritzer. Lim Ee Young is a director and shareholder of UCL as well as a shareholder of Spritzer. Datin Chua Shok Tim @ Chua Siok Hoon and Lim Ee Young are Persons Connected with the Director and Major Shareholder of Spritzer by virtue of being the spouse and son of Dato' Lim A Heng @ Lim Kok Cheong respectively. Datin Chua Shok Tim @ Chua Siok Hoon is the sister-in-law of Dato' Lim Kok Boon.
- Note 2 – UCL is a 60.67% owned subsidiary of YH, which are ultimately held by YW. Dato' Lim A Heng @ Lim Kok Cheong, Datin Chua Shok Tim @ Chua Siok Hoon and YW are deemed Major Shareholders of Spritzer and UCL. YH is a deemed Major Shareholder of Spritzer. Dato' Lim A Heng @ Lim Kok Cheong is a director of Spritzer and UCL. Lim Ee Young is a director and shareholder of UCL as well as a shareholder of Spritzer. Datin Chua Shok Tim @ Chua Siok Hoon and Lim Ee Young are Persons Connected with the Directors and Major Shareholder of Spritzer by virtue of being the spouse and son of Dato' Lim A Heng @ Lim Kok Cheong respectively. Datin Chua Shok Tim @ Chua Siok Hoon is the sister-in-law of Dato' Lim Kok Boon.
- Note 3 – YLOF is a wholly-owned subsidiary of YLO, which are ultimately held by YW. Dato' Lim A Heng @ Lim Kok Cheong, Datin Chua Shok Tim @ Chua Siok Hoon, YLO, UCL, UYL, YH and YW are deemed Major Shareholders of Spritzer and YLOF. Dato' Lim A Heng @ Lim Kok Cheong is a director of Spritzer and YLOF. Datin Chua Shok Tim @ Chua Siok Hoon is a Person Connected with the Directors and Major Shareholder of Spritzer by virtue of being the spouse of Dato' Lim A Heng @ Lim Kok Cheong and the sister-in-law of Dato' Lim Kok Boon.
- Note 4 – YLC Group of Companies are ultimately held by YW. YLC is a Major Shareholder of Spritzer, which holds 30.27% equity interest in Spritzer. Dato' Lim A Heng @ Lim Kok Cheong and Chok Hooa @ Chok Yin Fatt are the Directors of Spritzer and some of the wholly-owned subsidiary companies of YLC. Datin Chua Shok Tim @ Chua Siok Hoon is a director in some of the wholly-owned subsidiary companies of YLC. Dato' Lim A Heng @ Lim Kok Cheong, Datin Chua Shok Tim @ Chua Siok Hoon, YLO, UCL, UYL, YH and YW are deemed Major Shareholders of Spritzer and YLC Group of Companies. Lim Ee Young is a director in some of the wholly-owned subsidiary companies of YLC as well as a shareholder of Spritzer. Both Datin Chua Shok Tim @ Chua Siok Hoon and Lim Ee Young are Persons Connected with the Directors and Major Shareholder of Spritzer by virtue of being the spouse and son of Dato' Lim A Heng @ Lim Kok Cheong respectively. Datin Chua Shok Tim @ Chua Siok Hoon is the sister-in-law of Dato' Lim Kok Boon. Chok Hooa @ Chok Yin Fatt is a shareholder of Spritzer.
- Note 5 – CM is a wholly-owned subsidiary of CSR, which holds 1.62% equity interest in Spritzer. Dato' Lim A Heng @ Lim Kok Cheong, Dato' Lim Kok Boon, Lim Kok Keong, Lim Seng Lee and Lim Hock Lai are Major Shareholders of CSR. Dato' Lim A Heng @ Lim Kok Cheong and Datin Chua Shok Tim @ Chua Siok Hoon are deemed Major Shareholders of Spritzer and CM. Dato' Lim Kok Boon and Datin Lai Yin Leng are deemed Major Shareholders of CM. Lim Kok Keong and Beh Swee See are directors of CM. Both of them are the Persons Connected with the Directors and Major Shareholder of Spritzer by virtue of being the brother and sister-in-law of Dato' Lim A Heng @ Lim Kok Cheong and Dato' Lim Kok Boon respectively; as well as the brother-in-law and sister-in-law of Datin Chua Shok Tim @ Chua Siok Hoon respectively. Lim Hock Lai is a Person Connected with the Directors of Spritzer by virtue of being the son of Dato' Lim Kok Boon and the brother of Lim Seng Lee.
- Note 6 – Dato' Lim A Heng @ Lim Kok Cheong is a Director and deemed Major Shareholder of Spritzer as well as a Major Shareholder of UE. Lam Sang is a director of Spritzer and UE as well as a Major Shareholder of UE. Lim Ee Young is a director of UE as well as a shareholder of Spritzer. He is a Person Connected with the Director and Major Shareholders of Spritzer by virtue of being the son of Dato' Lim A Heng @ Lim Kok Cheong and Datin Chua Shok Tim @ Chua Siok Hoon.

- Note 7 – YW holds 45% of shareholding in STG. Dato' Lim A Heng @ Lim Kok Cheong is a deemed Major Shareholders of Spritzer and STG. YW is a deemed Major Shareholder of Spritzer. Datin Chua Shok Tim @ Chua Siok Hoon is a Director and a Shareholder of STG as well as deemed Major Shareholder of Spritzer. Lim Ee Young is a Director and a Shareholder of STG as well as a shareholder of Spritzer. Datin Chua Shok Tim @ Chua Siok Hoon and Lim Ee Young are Persons Connected with the Director and Major Shareholder of Spritzer by virtue of being the spouse and son of Dato' Lim A Heng @ Lim Kok Cheong respectively; and the sister-in-law and a nephew of Dato' Lim Kok Boon.
- Note 8 – YLTC is a joint-venture company between TASCOCO and YLT of which YLT is a wholly-owned subsidiary of YLC. YLT and TASCOCO hold 60% and 40% equity interests respectively in YLTC. YLC is a Major Shareholder of Spritzer, which holds 30.27% equity interest in Spritzer. Dato' Lim A Heng @ Lim Kok Cheong and Chok Hooa @ Chok Yin Fatt are the Directors of Spritzer and some of the wholly-owned subsidiary companies of YLC. Datin Chua Shok Tim @ Chua Siok Hoon is a director in some of the wholly-owned subsidiary companies of YLC. Dato' Lim A Heng @ Lim Kok Cheong, Datin Chua Shok Tim @ Chua Siok Hoon, YLO, UCL, UYL, YH and YW are deemed Major Shareholders of Spritzer and YLC Group of Companies. Lim Ee Young is a director of YLTC and some of the wholly-owned subsidiary companies of YLC as well as a shareholder of Spritzer. Both Datin Chua Shok Tim @ Chua Siok Hoon and Lim Ee Young are Persons Connected with the Directors and Major Shareholder of Spritzer by virtue of being the spouse and son of Dato' Lim A Heng @ Lim Kok Cheong respectively. Datin Chua Shok Tim @ Chua Siok Hoon is the sister-in-law of Dato' Lim Kok Boon. Chok Hooa @ Chok Yin Fatt is a shareholder of Spritzer.
- Note 9 – ASAP INT is a subsidiary company of CBA International Sdn Bhd. Lim Ee Wai is a director and shareholder of CBA International Sdn Bhd. Lim Ee Wai is a shareholder of Spritzer and a Person Connected with the Director and Major Shareholders of Spritzer by virtue of being the son of Dato' Lim A Heng @ Lim Kok Cheong and Datin Chua Shok Tim @ Chua Siok Hoon; and a nephew of Dato' Lim Kok Boon.
- Note 10 – CB INT is a subsidiary company of CBA International Sdn Bhd. Lim Ee Wai is a director and shareholder of CBA International Sdn Bhd. Lim Ee Wai is a shareholder of Spritzer and a Person Connected with the Director and Major Shareholders of Spritzer by virtue of being the son of Dato' Lim A Heng @ Lim Kok Cheong and Datin Chua Shok Tim @ Chua Siok Hoon; and a nephew of Dato' Lim Kok Boon.

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(ii) Details of Amount due by Related Parties

The details of the amount due and owing to Spritzer Group by related parties pursuant to the Recurrent Related Party Transactions which exceeded the credit term as at the end of year ended December 31, 2019 are as follows:

Related parties	≤ 1 year (RM'000)	>1 year but ≤ 3 years (RM'000)	>3 years but ≤ 5 years (RM'000)	>5 years (RM'000)
CM	2,494	-	-	-
YLT	4,390	-	-	-
Total	6,884	-	-	-

- (a) There are no late payment charges and interest imposed on the overdue related parties as they were trade in nature.
- (b) The related parties are making regular and ongoing payments to the Group. We have also reviewed the financial positions of the related parties and are satisfied that the related parties are financially sound. These overdue balances are monitored regularly by the Management. There is no significant change of the credit quality of the amounts outstanding which have exceeded the credit term and the Directors are of the opinion that all these amounts are fully recoverable.

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2.5 Guidelines and Review Procedures

The management of Spritzer Group has ensured and will continue to ensure that the Recurrent Related Party Transactions will only be entered into after taking into consideration of the pricing, level of services, quality of product and other related factors on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. In doing so, the management has implemented and will continue to implement the following methods and procedures:

- (i) Spritzer Group will keep record of all Recurrent Related Party Transactions and summary of such transactions are submitted quarterly to the Head Office;
- (ii) the audit committee at its meetings will review the Recurrent Related Party Transactions and if necessary, may request the internal auditors to review the management system and procedures in compiling information on Recurrent Related Party Transactions. The audit committee may, at its discretion, adopt new procedures and amend the existing procedures which are no longer appropriate or adequate;
- (iii) the external auditors will also review the Recurrent Related Party Transactions as part of the audit programme;
- (iv) terms of the Recurrent Related Party Transactions relating to the price or sales and distribution margin shall not be subject to substantial change during the period which the shareholders' mandate is in force. Where such change is deemed necessary, the management shall review that the new terms are consistent with a transaction conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies;
- (v) where any director has an interest, direct or indirect, in any Recurrent Related Party Transactions, such director or his alternate shall abstain from deliberation and voting on the resolution. Where any member of the audit committee is interested in any Recurrent Related Party Transactions, that member shall abstain from deliberation and voting on any decisions to be taken by the audit committee with respect to such transaction;
- (vi) disclosure will be made in the annual report of the Company 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 type, names of the Related Parties involved and their relationships with the Company. Disclosure will also be made in the annual reports of the subsequent financial year during which the period the shareholders' mandate remains in force.
- (vii) at least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on those offered by/to the related parties for the same or substantially similar type of transaction to ensure that the Recurrent Related Party Transaction is not detrimental to the Group.

2.5.1 Threshold of Authority

The Group has in place a level of authority policy to facilitate the orderly and efficient operations of the Group. Managers are given a reasonable and acceptable level of authority to approve limited purchases and payments. For amounts exceeding the managers' authority i.e. RM350,000.00, prior approval of an Executive Director is required.

3. AUDIT COMMITTEE STATEMENT

The Audit Committee of Spritzer, having reviewed the procedures mentioned in Section 2.5 above, is of the opinion that the procedures are sufficient to ensure that the Recurrent Related Party Transactions are on terms 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 hence, will not be prejudicial to the shareholders or disadvantageous to the Group.

In addition, the Audit Committee is of the opinion that the Spritzer Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner. The Audit Committee's review procedures and processes will be conducted on a quarterly basis together with the review of the quarterly financial results, or such frequency as the Audit Committee considers appropriate having regard to the value and frequency of the Recurrent Related Party Transactions.

4. RATIONALE AND BENEFITS

The Recurrent Related Party Transactions entered or to be entered into from time to time by Spritzer Group are in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case to case basis before entering into such transactions. As such, the Company is seeking its shareholders' approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09(2) of the Listing Requirements to allow the Group to enter or continue to enter into the Recurrent Related Party Transactions.

The Proposed Shareholders' Mandate is crucial to ensure continuing day-to-day operations of the Group. By obtaining the renewal on an annual basis, this will reduce substantial administrative time and expenses associated with the convening of general meetings from time to time to seek shareholders' approval of each transaction while still maintaining the objective of keeping shareholders informed of the extent of the Recurrent Related Party Transactions occurring within the Group.

Spritzer Group has a long standing business relationship with YLO. YLO is the holding company of a diversified group of companies, some of which are currently providing Spritzer with services classified as Recurrent Related Party Transactions. There exist a strong relationship between Spritzer and the Related Parties which remain till today. The Directors are of the view that the close working relationship of Spritzer and various Related Parties has over the years benefited the Group in making it more competitive in the industry. The Directors believe that the existing Deeds of Assignment between CS, GPI and YLT which assign sole product distribution rights to YLT have allowed Spritzer access to established distribution channels in Malaysia. YLT is currently the marketing and distribution arm of YLC, a subsidiary of YLO and markets a wide range of consumer products such as foodstuff, baby products, household cleaning item and toothbrushes.

It should also be emphasised that the Related Parties are not under any obligation to enter into transactions with the Group and vice versa. Ultimately all business transactions are entered into with the intention of profiting from market situations. Therefore external market prices and conditions are important factors that determine transaction prices between the Group and the Related Parties. However, close relationship between the Group and the Related Parties allow for better control of quality and inventory and this result in the reduction of inventory driven costs and the maintenance of quality of its end products.

5. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the total number of issued shares, net assets and earnings of Spritzer Group.

6. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is conditional upon the approval of the shareholders of Spritzer at the forthcoming 27th AGM of the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

The direct and indirect interests of the interested directors, Major Shareholders and Persons Connected with them as at June 2, 2020 are as follows:

	Direct interest		Deemed interest	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Directors				
Dato' Lim A Heng @ Lim Kok Cheong ("LKC")	9,514,807	4.53	92,423,891 ^a	44.02
Dato' Lim Kok Boon ("LKB")	7,000,000	3.33	5,015,899 ^b	2.39
Lim Seng Lee ("LSL")	1,375,566	0.66	3,651,000 ^c	1.74
Lam Sang	1,108,082	0.53	-	-
Chok Hooa @ Chok Yin Fatt	160,500	0.08	-	-
Major Shareholders				
YLC	63,559,629	30.27	-	-
YLH	22,811,665	10.86	-	-
LKC	9,514,807	4.53	92,423,891 ^a	44.02
Datin Chua Shok Tim @ Chua Siok Hoon ("CSH")	2,138,600	1.02	99,800,098 ^d	47.53
YLO	-	-	86,371,294 ^e	41.13
UCL	-	-	86,371,294 ^f	41.13
UYL	-	-	86,371,294 ^f	41.13
YH	-	-	86,371,294 ^g	41.13
YW	-	-	86,371,294 ^h	41.13
Persons Connected				
Datin Lai Yin Leng ("LYL")	233,333	0.11	11,782,566 ⁱ	5.61
Lim Ee Young ("LEY")	204,000	0.10	26,665 ^j	0.01
Lim Ee Wai ("LEW") ^k	302,997	0.14	-	-
Lim Hock Lai ("LHL")	-	-	3,407,000 ^l	1.62
Lim Kok Keong	-	-	3,475,000 ^m	1.66
Lim Siew Ai ⁿ	59,000	0.03	-	-
Ooi Guat Ee ("OGE")	26,665	0.01	204,000 ^o	0.10
Huang Yu Ying ("HYY")	244,000	0.12	4,782,566 ^p	2.28
Beh Swee See ("BSS")	68,000	0.03	3,407,000 ^q	1.62
CSR ^r	3,407,000	1.62	-	-

Notes:

- ^a Deemed interest by virtue of major shareholdings in CSR and YW pursuant to Section 8 of the Act; and the Shares held by his spouse, CSH and children, LEY and LEW in the Company pursuant to Section 59(11)(c) of the Act.
- ^b Deemed interest by virtue of major shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by his spouse, LYL and child, LSL in the Company pursuant to Section 59(11)(c) of the Act.
- ^c Deemed interest by virtue of major shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by his spouse, HYY in the Company pursuant to Section 59(11)(c) of the Act.
- ^d Deemed interest by virtue of major shareholding in YW and deemed major shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by her spouse, LKC and children, LEY and LEW in the Company pursuant to Section 59(11)(c) of the Act.
- ^e Deemed interest held through YLC and YLH pursuant to Section 8 of the Act.
- ^f Deemed interest held through YLO pursuant to Section 8 of the Act.
- ^g Deemed interest held through UCL and UYL pursuant to Section 8 of the Act.

- h Deemed interest held through YH pursuant to Section 8 of the Act.
- i Deemed interest by virtue of deemed major shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by her spouse, LKB and child, LSL in the Company pursuant to Section 59(11)(c) of the Act.
- j Deemed interest by virtue of the Shares held by his spouse, OGE in the Company pursuant to Section 59(11)(c) of the Act. He is a Person Connected with the Director and Major Shareholders by virtue of being the son of LKC and CSH.
- k A Person Connected with the Director and Major Shareholders by virtue of being the son of LKC and CSH.
- l Deemed interest by virtue of major shareholding in CSR pursuant to Section 8 of the Act. He is a Person Connected with the Directors by virtue of being the son of LKB and brother of LSL.
- m Deemed interest by virtue of major shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by his spouse, BSS in the Company pursuant to Section 59(11)(c) of the Act. He is a Person Connected with the Directors and Substantial Shareholders by virtue of being the brother of LKC and LKB; and the brother-in-law of CSH and LYL.
- n A Person Connected with the Directors and Substantial Shareholders by virtue of being the sister of LKC and LKB; and the sister-in-law of CSH and LYL.
- o Deemed interest by virtue of the Shares held by her spouse, LEY pursuant to Section 59(11)(c) of the Act. She is a Person Connected with the Director and Major Shareholders by virtue of being the daughter-in-law of LKC and CSH.
- p Deemed interest by virtue of deemed major shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by her spouse, LSL in the Company pursuant to Section 59(11)(c) of the Act. She is a Person Connected with the Director by virtue of being the daughter-in-law of LKB.
- q Deemed interest by virtue of deemed major shareholding in CSR pursuant to Section 8 of the Act. She is a Person Connected with the Directors and Substantial Shareholders by virtue of being the sister-in-law of LKC, LKB, CSH and LYL.
- r A Person Connected with the Directors and Substantial Shareholders by virtue of major shareholdings held by LKC, LKB and LSL.

The interested Directors, namely Dato' Lim A Heng @ Lim Kok Cheong, Dato' Lim Kok Boon, Lim Seng Lee, Lam Sang and Chok Hooa @ Chok Yin Fatt have abstained and will abstain from board deliberation and voting on the resolution pertaining to the Proposed Shareholders' Mandate at the relevant Board Meeting.

The interested Major Shareholders, namely YLC, YLH, Dato' Lim A Heng @ Lim Kok Cheong, Datin Chua Shok Tim @ Chua Siok Hoon, YLO, UCL, UYL, YH and YW will abstain from voting on the ordinary resolution approving the Proposed Shareholders' Mandate at the forthcoming 27th AGM of the Company.

And that all the above interested Directors, Major Shareholders and Persons Connected with them, which have any interest, direct and/or indirect, in the Proposed Shareholders' Mandate will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 27th AGM of the Company.

The interested Directors and Major Shareholders have undertaken that they shall ensure that the Persons Connected with them will abstain from voting on the ordinary resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 27th AGM of the Company.

Save as disclosed above, none of the other Directors, Major Shareholders and Persons Connected with them have any interest, direct and/or indirect in the Proposed Shareholders' Mandate.

8. DIRECTORS' RECOMMENDATION

Having considered the rationale of the Proposed Shareholders' Mandate and after careful deliberation, the Board, except for the interested Directors, Dato' Lim A Heng @ Lim Kok Cheong, Dato' Lim Kok Boon, Lim Seng Lee, Lam Sang, and Chok Hooa @ Chok Yin Fatt, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

Accordingly, the Board, except for the aforementioned Directors, recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 27th AGM of the Company.

9. AGM

The 27th AGM of the Company, the notice of which is enclosed in the Annual Report for the year ended December 31, 2019, which has been dispatched together with this Circular/ Statement, will be held at Ground Floor Function Room, Flemington Hotel of No 1, Jalan Samanea Saman, 34000 Taiping, Perak Darul Ridzuan, Malaysia on Tuesday, July 28, 2020 at 10.30 a.m., for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the 27th AGM and wish to appoint a Proxy instead, you should complete and return the Form of Proxy enclosed in the Annual Report for the year ended December 31, 2019 of the Company, in accordance with the instructions therein. The Form of Proxy must be lodged at the Share Registrar's Office or be deposited via TIH Online at <https://tjh.online> at least 24 hours before the time set for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are advised to refer to the Appendix I for further information.

Yours faithfully,
For and on behalf of the Board
SPRITZER BHD

DATO' IR. NIK MOHAMAD PENA BIN NIK MUSTAPHA, DIMP
Independent Non-Executive Director

PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF AUTHORITY
TO PURCHASE ITS OWN SHARES BY SPRITZER BHD**



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

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES BY SPRITZER BHD

1. INTRODUCTION

At the 26th AGM of the Company held on May 30, 2019, shareholders' approval was obtained for the Company to purchase up to ten per cent (10%) of its total number of issued shares at any given point of time through Bursa Securities.

The authority for the existing mandate shall lapse at the conclusion of the forthcoming 27th AGM of the Company unless authority for its renewal is obtained from its shareholders.

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back and to seek your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 27th AGM of the Company.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The renewal of the existing Share Buy-Back Shareholders' Mandate will allow the Board to exercise the power of the Company to purchase its own shares on Bursa Securities of up to ten per cent (10%) of its total number of issued shares at any point in time during the authorised period, subject to the provisions of the Act and regulations thereunder, the Listing Requirements, Constitution of the Company and any prevailing laws, regulations, rules, orders, guidelines and requirements of any regulatory authorities (as may be amended, modified or re-enacted from time to time) at the time of purchase(s). The Proposed Share Buy-Back will be executed through Bursa Securities via stockbrokers.

If approved, the authorised period for the Proposed Share Buy-Back shall be effective immediately upon the passing of the ordinary resolution at the forthcoming 27th AGM of the Company and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting 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.

In accordance with the Listing Requirements, Spritzer may only purchase its own shares at a price which is not more than fifteen per cent (15%) above the weighted average market price for the shares for the five (5) market days immediately before the purchase.

The Company may retain the shares purchased as treasury shares or cancel the shares or both, depending on the capital requirements of the Company at that point in time. In the event that the Company retains the purchased shares as treasury shares, the said treasury shares may be distributed as share dividends to shareholders and/or resold through Bursa Securities and/or subsequently cancelled.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK (CONT'D)

While the purchased shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distributions or otherwise will be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

In the case of a resale of treasury shares, if any, the Company may only resell the treasury shares on Bursa Securities at:

- (a) a price which is not less than the weighted average market price for the shares for the five (5) market days immediately before the resale; or
- (b) a discounted price of not more than five per cent (5%) to the weighted average market price for the shares for the five (5) market days immediately before the resale provided that:
 - (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the shares being resold.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is expected to enhance shareholders' value in the event that such purchased shares are cancelled as the resultant reduction in the total number of issued shares of Spritzer is expected to increase the earnings per share, thereby making the shares more attractive to investors.

In addition, the purchased shares may be held as treasury shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital appreciation on the shares.

As at the date of this Statement, the Company has not decided on the action to be taken on the shares to be purchased, namely to retain those purchased shares as treasury shares, or cancel the shares purchased or a combination of both. The decision will be made by the Board at the appropriate time.

4. QUANTUM AND FUNDING

The actual number of shares which may be purchased and the timing of the purchase(s) will depend on, inter-alia, market conditions, the availability of retained profits and financial resources of the Company as well as the Listing Requirements to maintain the necessary shareholding spread.

The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the retained profits of the Company. Based on the latest audited financial statements for the year ended December 31, 2019, the retained profits of the Company was RM17.74 million; and the retained profits of the Company based on the unaudited Statement of Financial Position as at April 30, 2020 was RM18.98 million.

The Proposed Share Buy-Back, if implemented, will be financed through internally generated funds and/or borrowings. The amount of bank borrowings to be used for the Proposed Share Buy-Back would depend on the prevailing interest rates accorded to the bank borrowings and the repayment capabilities of the Company. In the event that Spritzer decides to utilise bank borrowings to finance the Proposed Share Buy-Back, it will ensure that it has sufficient financial capability to repay the bank borrowings and interest expense. The bank borrowings are not expected to have a material impact on the cash flows or earnings of the Company.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The potential advantages and disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:

Potential advantages:

- (i) allows the Company the flexibility in attaining its desired capital structure; and
- (ii) rewards the shareholders in the event the treasury shares are distributed as share dividends.

Potential disadvantages:

- (i) the Proposed Share Buy-Back will reduce the financial resources of the Group and may result in the Group forgoing better investment opportunities that may emerge in the future; and
- (ii) as the Proposed Share Buy-Back can only be made out of retained profits of the Company, it may result in the reduction of financial resources available for distribution to shareholders of the Company in the immediate future.

The Board will be mindful of the interest of the Company and its shareholders in undertaking the Proposed Share Buy-Back and in the subsequent resale of treasury shares on Bursa Securities, if any.

6. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the Company are as follows:

6.1 Issued Shares

The effects of the Proposed Share Buy-Back on the total number of issued shares of Spritzer will depend on the intention of the Board with regards to the purchased shares.

In the event that shares purchased are retained as treasury shares, the Proposed Share Buy-Back will have no effect on the total number of issued shares of Spritzer. Nevertheless, certain rights attached to the shares in relation to voting, dividends and participation in other distributions or otherwise will be suspended while the shares are held as treasury shares. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

In the event that the shares purchased by the Company are subsequently cancelled, the total number of issued shares will be reduced by the number of shares cancelled. The effect on the total number of issued shares of the Company is set out below:

	Number of Shares
Total number of issued shares as at LPD #	209,992,727
Less : Maximum number of shares that may be purchased pursuant to the Proposed Share Buy-Back	(20,999,272)
Total number of issued shares after the Proposed Share Buy-Back and cancellation	188,993,455

Including 24,000 treasury shares held as at LPD.

6.2 Directors' and Substantial Shareholders' Shareholdings

The effects of the Proposed Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders based on the Register of Directors and the Register of Substantial Shareholders as at LPD are as follows:

(i) Directors

Name	As at LPD				After Proposed Share Buy-Back [@]			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
1. Dato' Lim A Heng @ Lim Kok Cheong ("LKC")	9,514,807	4.53	92,423,891 ^a	44.02	9,514,807	5.03	92,423,891 ^a	48.90
2. Dato' Lim Kok Boon ("LKB")	7,000,000	3.33	5,015,899 ^b	2.39	7,000,000	3.70	5,015,899 ^b	2.65
3. Lim Seng Lee ("LSL")	1,375,566	0.66	3,651,000 ^c	1.74	1,375,566	0.73	3,651,000 ^c	1.93
4. Lam Sang	1,108,082	0.53	-	-	1,108,082	0.59	-	-
5. Chok Hooa @ Chok Yin Fatt	160,500	0.08	-	-	160,500	0.08	-	-
6. Dato' Ir Nik Mohamed Pena bin Nik Mustapha	1,835,000	0.87	-	-	1,835,000	0.97	-	-
7. Dato' Mohd Adhan bin Kechik	2,123,965	1.01	-	-	2,123,965	1.12	-	-
8. Dato' Sri Kuan Khian Leng	-	-	4,680,000 ^d	2.23	-	-	4,680,000 ^d	2.48
9. Tan Chow Yin	-	-	-	-	-	-	-	-

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(ii) Substantial Shareholders

Name	As at LPD				After Proposed Share Buy-Back @			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
1. YLC	63,559,629	30.27	-	-	63,559,629	33.63	-	-
2. Tasik Puncak Holdings Ltd (“TPH”) (as general partner for Tasik Puncak Holdings, LP)	27,387,225	13.04	-	-	27,387,225	14.49	-	-
3. YLH	22,811,665	10.86	-	-	22,811,665	12.07	-	-
4. LKC	9,514,807	4.53	92,423,891 ^a	44.02	9,514,807	5.03	92,423,891 ^a	48.90
5. LKB	7,000,000	3.33	5,015,899 ^b	2.39	7,000,000	3.70	5,015,899 ^b	2.65
6. Datin Chua Shok Tim @ Chua Siok Hoon (“CSH”)	2,138,600	1.02	99,800,098 ^e	47.53	2,138,600	1.13	99,800,098 ^e	52.81
7. Datin Lai Yin Leng (“LYL”)	233,333	0.11	11,782,566 ^f	5.61	233,333	0.12	11,782,566 ^f	6.23
8. YLO	-	-	86,371,294 ^g	41.13	-	-	86,371,294 ^g	45.70
9. UCL	-	-	86,371,294 ^h	41.13	-	-	86,371,294 ^h	45.70
10. UYL	-	-	86,371,294 ^h	41.13	-	-	86,371,294 ^h	45.70
11. YH	-	-	86,371,294 ⁱ	41.13	-	-	86,371,294 ⁱ	45.70
12. YW	-	-	86,371,294 ^j	41.13	-	-	86,371,294 ^j	45.70
13. Diamond GP Holdings Ltd. (“DGP”)	-	-	27,387,225 ^k	13.04	-	-	27,387,225 ^k	14.49
14. Dymon Asia Private Equity (S.E. Asia) Ltd (“DAPE”)	-	-	27,387,225 ^l	13.04	-	-	27,387,225 ^l	14.49
15. Dymon Asia Capital Ltd. (“DAC”)	-	-	27,387,225 ^m	13.04	-	-	27,387,225 ^m	14.49
16. Tan Keng Soon	-	-	27,387,225 ^m	13.04	-	-	27,387,225 ^m	14.49
17. Yong Ming Chong	-	-	27,387,225 ⁿ	13.04	-	-	27,387,225 ⁿ	14.49

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(iii) Persons Connected with Directors and Substantial Shareholders

Name	As at LPD				After Proposed Share Buy-Back @			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
1. Lim Ee Young (“ LEY ”)	204,000	0.10	26,665 ^o	0.01	204,000	0.11	26,665 ^o	0.01
2. Lim Ee Wai (“ LEW ”) ^p	302,997	0.14	-	-	302,997	0.16	-	-
3. Lim Hock Lai (“ LHL ”)	-	-	3,407,000 ^q	1.62	-	-	3,407,000 ^q	1.80
4. Lim Kok Keong	-	-	3,475,000 ^r	1.66	-	-	3,475,000 ^r	1.84
5. Lim Siew Ai ^s	59,000	0.03	-	-	59,000	0.03	-	-
6. Ooi Guat Ee (“ OGE ”)	26,665	0.01	204,000 ^t	0.10	26,665	0.01	204,000 ^t	0.11
7. Huang Yu Ying (“ HYY ”)	244,000	0.12	4,782,566 ^u	2.28	244,000	0.13	4,782,566 ^u	2.53
8. Beh Swee See (“ BSS ”)	68,000	0.03	3,407,000 ^v	1.62	68,000	0.04	3,407,000 ^v	1.80
9. CSR ^w	3,407,000	1.62	-	-	3,407,000	1.80	-	-
10. Unique Bay Sdn Bhd ^x	4,680,000	2.23	-	-	4,680,000	2.48	-	-

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Notes:

- @ Assuming the Proposed Share Buy-back is implemented in full and all the shares so purchased are either kept as treasury shares or fully cancelled.
- a Deemed interest by virtue of substantial shareholdings in CSR and YW pursuant to Section 8 of the Act; and the Shares held by his spouse, CSH and children, LEY and LEW in the Company pursuant to Section 59(11)(c) of the Act.
- b Deemed interest by virtue of substantial shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by his spouse, LYL and child, LSL in the Company pursuant to Section 59(11)(c) of the Act.
- c Deemed interest by virtue of substantial shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by his spouse, HYY in the Company pursuant to Section 59(11)(c) of the Act.
- d Deemed interest by virtue of substantial shareholding in Unique Bay Sdn Bhd pursuant to Section 8 of the Act.
- e Deemed interest by virtue of substantial shareholding in YW and deemed substantial shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by her spouse, LKC and children, LEY and LEW in the Company pursuant to Section 59(11)(c) of the Act.
- f Deemed interest by virtue of deemed substantial shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by her spouse, LKB and child, LSL in the Company pursuant to Section 59(11)(c) of the Act.
- g Deemed interest by virtue of substantial shareholdings in YLC and YLH pursuant to Section 8 of the Act.
- h Deemed interest held through YLO pursuant to Section 8 of the Act.
- i Deemed interest held through UCL and UYL pursuant to Section 8 of the Act.
- j Deemed interest held through YH pursuant to Section 8 of the Act.
- k Deemed interest held through TPH pursuant to Section 8(4)(c) of the Act.
- l Deemed interest held through DGP pursuant to Section 8(4)(c) of the Act.
- m Deemed interest held through DAPE pursuant to Section 8(4)(c) of the Act.
- n Deemed interest held through DAC pursuant to Section 8(4)(c) of the Act.
- o Deemed interest by virtue of the Shares held by his spouse, OGE in the Company pursuant to Section 59(11)(c) of the Act. He is a Person Connected with the Director and Substantial Shareholders by virtue of being the son of LKC and CSH.
- p A Person Connected with the Director and Substantial Shareholders by virtue of being the son of LKC and CSH.
- q Deemed interest by virtue of substantial shareholding in CSR pursuant to Section 8 of the Act. He is a Person Connected with the Directors and Substantial Shareholders by virtue of being the son of LKB and LYL; and brother of LSL.
- r Deemed interest by virtue of major shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by his spouse, BSS in the Company pursuant to Section 59(11)(c) of the Act. He is a Person Connected with the Directors and Substantial Shareholders by virtue of being the brother of LKC and LKB; and the brother-in-law of CSH and LYL.

- s A Person Connected with the Directors and Substantial Shareholders by virtue of being the sister of LKC and LKB, and the sister-in-law of CSH and LYL.
- t Deemed interest by virtue of the Shares held by her spouse, LEY in the Company pursuant to Section 59(11)(c) of the Act. She is a Person Connected with the Director and Substantial Shareholders by virtue of being the daughter-in-law of LKC and CSH.
- u Deemed interest by virtue of deemed substantial shareholding in CSR pursuant to Section 8 of the Act; and the Shares held by her spouse, LSL in the Company pursuant to Section 59(11)(c) of the Act. She is a Person Connected with the Directors and Substantial Shareholders by virtue of being the daughter-in-law of LKB and LYL; and the spouse of LSL.
- v Deemed interest by virtue of deemed major shareholding in CSR pursuant to Section 8 of the Act. She is a Person Connected with the Directors and Substantial Shareholders by virtue of being the sister-in-law of LKC, LKB, CSH and LYL.
- w A Person Connected with the Directors and Substantial Shareholders by virtue of substantial shareholdings held by LKC, LKB and LSL.
- x A Person Connected with the Director by virtue of substantial shareholding held by Dato' Sri Kuan Khian Leng.

6.3 Net Assets

The effects of the Proposed Share Buy-Back on the net assets per share of Spritzer Group is dependent on whether or not the shares purchased are cancelled or retained as treasury shares, the number of shares purchased, the timing, the purchase price and the eventual treatment of any treasury shares arising therefrom.

The Proposed Share Buy-Back will reduce the net assets per share of Spritzer Group when the purchase price exceeds the net assets per share of Spritzer Group at the relevant point in time. On the other hand, the net assets per share of Spritzer Group will be increased when the purchase price is less than the net assets per share of Spritzer Group at the relevant point in time.

If the purchased shares were held as treasury shares and subsequently resold on Bursa Securities, the Company's net assets per share would increase if the Company realise a gain from the resale and vice versa. In addition to the purchase price of the shares, the effective cost of funds or any loss in interest income to the Group may also have an impact on the net assets per share.

6.4 Earnings

Depending on the number of shares so purchased and the purchase price of the shares, the Proposed Share Buy-Back may increase the EPS of the Group. Similarly, on the assumption that the shares so purchased are treated as treasury shares, the extent of the effect on the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the gain from disposal.

6.5 Dividends

The Proposed Share Buy-Back is not expected to have any material effect on the dividend policy of the Company. The level of dividends to be declared for the future financial years would be determined by the Board after taking into consideration the performance and cash flow position of Spritzer, as well as the prevailing economic conditions.

6.6 Cash Flows

The Proposed Share Buy-Back is expected to reduce the working capital of the Group, the quantum of which will depend on the number of shares to be bought back and the purchase price of the shares.

7. IMPLICATIONS RELATING TO THE RULES

The Proposed Share Buy-Back may trigger an obligation by the substantial shareholders of the Company and/or persons acting in concert with them to undertake a mandatory offer under the Rules.

Nevertheless, the Board will be mindful of the potential implications relating to the Rules. In the event that an obligation to undertake a mandatory offer is expected to be triggered as a result of the Proposed Share Buy-Back, which is an action outside its direct participation, the affected parties shall apply to the Securities Commission for an exemption from undertaking a mandatory offer prior to any shares buy-back under Rule 4 of the Rules.

8. PUBLIC SHAREHOLDING SPREAD

According to the Record of Depositors and the Register of Substantial Shareholders of the Company as at LPD, the percentage of the total number of issued shares of Spritzer which is held by the public (in accordance with the public shareholding spread requirements of Bursa Securities) was 29.29%. The public shareholding spread of Spritzer is expected to reduce to 21.44% assuming that the Proposed Share Buy-Back is implemented in full with the purchase of Shares from public shareholders and all the Shares so purchase are either held as treasury shares or cancelled.

The Company will be mindful of the public shareholding spread requirement before making any purchase of its own shares.

9. SHARE PRICES

The monthly highest and lowest prices of the Shares as traded on Bursa Securities for the past twelve (12) months are as follows:

	High (RM)	Low (RM)
<u>2019</u>		
June	2.30	2.15
July	2.30	2.16
August	2.40	2.14
September	2.30	2.21
October	2.40	2.02
November	2.35	2.11
December	2.25	2.15
<u>2020</u>		
January	2.28	2.16
February	2.26	2.00
March	2.25	1.70
April	2.01	1.85
May	2.10	1.95

The last transacted price of the Shares on Bursa Securities on June 2, 2020, being the latest practicable date prior to the printing of this Circular/ Statement, was RM2.07 per Share.

(Source: Bloomberg)

10. PURCHASES OF OWN SHARES OR RESALE OR CANCELATION OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

As of LPD, the total treasury shares held by the Company is 24,000 Shares.

There were no purchases of own shares or resale or cancellation of treasury shares by the Company in the preceding twelve (12) months.

11. APPROVAL REQUIRED

The renewal of the Proposed Share Buy-Back is conditional upon the approval of the shareholders of Spritzer at the forthcoming 27th AGM of the Company.

12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and/or substantial shareholders of the Company as a result of the Proposed Share Buy-Back, none of the Directors and/or Substantial Shareholders or Persons Connected with them, has any interest, direct or indirect, in the Proposed Share Buy-Back and if any, in the resale of treasury shares

13. DIRECTORS' RECOMMENDATION

The Board, having considered the rationale of the Proposed Share Buy-Back and after careful deliberation, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Group.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 27th AGM of the Company.

14. AGM

The 27th AGM of the Company, the notice of which is enclosed in the Annual Report for the year ended December 31, 2019, which has been dispatched together with this Circular/ Statement, will be held at Ground Floor Function Room, Flemington Hotel of No 1, Jalan Samanea Saman, 34000 Taiping, Perak Darul Ridzuan, Malaysia on Tuesday, July 28, 2020 at 10.30 a.m., for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Share Buy-Back.

If you are unable to attend and vote in person at the 27th AGM and wish to appoint a Proxy instead, you should complete and return the Form of Proxy enclosed in the Annual Report for the year ended December 31, 2019 of the Company, in accordance with the instructions therein. The Form of Proxy must be lodged at the Share Registrar's Office or be deposited via TIIH Online at <https://tjih.online> at least 24 hours before the time set for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

15. FURTHER INFORMATION

Shareholders are advised to refer to the Appendix I for further information.

1. RESPONSIBILITY STATEMENT

This Circular/ Statement has been seen and approved by the Board and that they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in the Circular/ Statement misleading.

2. MATERIAL LITIGATION

Spritzer Group is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant, and the Directors of Spritzer have no knowledge of any proceedings pending or threatened against Spritzer Group or of any facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position or business of Spritzer Group immediately preceding the date of this Circular/ Statement.

3. MATERIAL CONTRACTS

Spritzer and its Subsidiary Companies have not entered into any material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business within the two (2) years immediately preceding the date of this Circular/ Statement.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of Spritzer at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan, Malaysia during normal business hours from Mondays to Fridays (except Public Holidays) for the period commencing from the date of this Circular/ Statement up to and including the date of the AGM:

- (i) the Constitution of Spritzer;
- (ii) the audited consolidated financial statements of Spritzer for the past 2 financial years up to the financial year ended December 31, 2019; and
- (iii) the unaudited quarterly results of the Group for the first quarter ended March 31, 2020.