生命泉源集團

Life Water Berhad

202301002484 (1496403-W)

MALAYSIA 1st rPET BOTTLED WATER MANUFACTURER

AWARDED BY: THE MALAYSIA BOOK of RECORDS

ANNUAL REPORT **2025**

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ABOUT LIFE WATER

After years of continuous improvements, Life Water Berhad has now become a prominent player in the beverage manufacturing industry in Sabah. The company has always believed and persisted with the idea of

"Making Quality Beverages Affordable for Everyone"

PURPOSE

Making quality beverages affordable for everyone

MISSION

Continual improvement to stay competitive

VISION

A better life for all through shared goals and efforts

ABOUT LIFE WATER

CORE VALUES

Our core values, **Loving**, **Initiative**, **Fairness**, **Execute**, **Wealthy**, **Attitude**, **Team Work**, **Efficient** and **Respect** is the acronym for **LIFE WATER**. They define who we are.

They are one of the powerful tools guiding our important decisions and actions, giving us focus and clarity of things so that we do not lose sight of Life Water's vision, and bonding us strong as a united team to weather any challenges coming our way.

It is the go-to reference point in times of need of the right course of action to take.

Having core values is an equally helpful recruitment tool that summarizes what Life Water stands for to a potential Life Water employee.

OUR BEVERAGES

K2
Drinking Water

2MORE
Carbonated Drink

TRITONiC
Carbonated Isotonic Electrolyte Drink

SASA
Drinking Water

LEMONY
Carbonated Drink

kiTZAi
Calamansi Fruit Drink

TWININE
Sauces & Condiments

GREEN BOTTLE

MALAYSIA 1ST

rPET BOTTLED WATER MANUFACTURER

AWARDED BY
DIANUGERAH OLEH

THE MALAYSIA BOOK of RECORDS®

SUPPORTED BY:

rPET for our future MBWA

1/3
Smaller Label

Features
smaller label size

Atleast
42%
Less Plastic

Made with lesser plastic:
1500ml: Less 11%
500ml: Less 42.5%

PRODUK Sabah

LifeWater.K2 | k2.lifewater | www.lifewater.com.my

"Menghasilkan Minuman Berkualiti Dengan Harga Berpatutan"

OUR BUSINESS MODEL

Business Activities and Revenue Streams

Manufacture of Beverages, Sauces and condiments

- Drinking Water
- Carbonated drinks
- Sauces and condiments

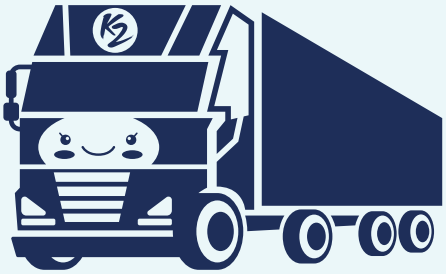
Other Products

Supporting Activities

Manufacture of plastic packaging

- Bottles
- Preforms
- Caps

Delivery services



Geographical Market and Operational Facilities

We have operational facilities in Sandakan, Kota Kinabalu, Lahad Datu and Keningau.

Sabah, Malaysia

OUR BUSINESS MODEL

Distribution Channel and Customer Base

Indirect Distribution

- Retailers
- Wholesalers
- Food service operators

Direct Distribution

- Hotels
- End consumers

Suppliers

Major Suppliers

- Public water utility company
- Plastic resin and preform suppliers
- Labelling and packaging materials suppliers
- Flavourings and food ingredients suppliers

AWARDS & RECOGNITIONS

2011

Winner (Category II) of the Sabah Industry Excellence Award 2010/2011
- Ministry of Industrial Development

2013

Sin Chew Business Excellence Award

SME Product Excellence Award 2013

Golden Eagle Award

2012

SMI Recognition Award

Winner of Excellence Brand 2012- The 11th Asia Pacific International Entrepreneur Excellence Award

Winner of Golden Bull Award 2012
- The 10th Malaysia 100 Outstanding SME

2014

Enterprise 50 Award

Sin Chew Business Excellence Awards
- Product and Service Excellence Award

AWARDS & RECOGNITIONS

2015

Sabah Industry Excellence Award SIEA

2017

Anugerah Majikan Terbaik

Anugerah Sumbangan Ikhlas

2019

Sabah Industry Excellence Award (SIEA 2018/2019) – Category IV (annual sales of RM25 million to RM100 million) awarded by Ministry of Industrial Development

Anugerah Kinabalu Pengiktirafan Alam Sekitar – Sumbangan Terhadap Program Kesedaran Alam Sekitar by Department of Environment

2022

"First RPET Bottled Water Manufacturer" awarded by the Malaysia Book of Records

2023

Sabah Industry Excellence Award (SIEA 2022/2023)

2024

Malaysia SMART MANUFACTURING AWARD 2023

KEY MILESTONES

2001-2002

- Promoters acquired Life Water Industries Sdn Bhd.
- Commenced operations at Sandakan Megah Plant producing 7 million litres annually under the "K2" brand.
- Began contract manufacturing for private-label customers.

2003-2006

- Expanded into carbonated drinks with the first line (3 million litres).
- Launched "K2" carbonated drinks
- Acquired land at Jalan Lintas Sibuga (Sandakan Sibuga Plant 1)

2008-2010

- Upgraded to semi-automated water line at Sandakan Megah Plant (29 million litres).
- Set-up distribution centres in Lahad Datu and Kota Kinabalu.
- Renovated and commissioned Sandakan Sibuga Plant 1, relocating carbonated drinks production there.
- Launched "Sasa" brand water to penetrate the Kota Kinabalu market.
- Expanded in Kota Kinabalu with KK IZ4 Plant (66m litres capacity).

2013-2016

- Added fully automated lines at Sandakan Sibuga Plant 1 (117 million litres).
- Launched isotonic "TRITONiC" and rebranded carbonated drinks as "2more".
- Completed another drinking water line at KK IZ4 Plant (104 million litres).

2018-2020

- Upgraded carbonated line to produce fruit drinks (kiTZAi).
- Secured private-label contracts with Shell ("Water2Go") and Petronas ("Mesra").
- Acquired 5 acres at KKIP Industrial Zone 8 for IZ8 Plant and commenced Phase 1 factory building and consolidated PET preform manufacturing.
- Launched "K2 Green Bottle", Malaysia's first bottled water with packaging made from 100% recycled Polyethylene Terephthalate ("rPET")

KEY MILESTONES

2021-2023

- Completed Phase 2 KK IZ8 Plant 1 (factory & water line), commissioning 134 million litre capacity.
- Installed injection moulding machine for in-house cap production.
- Expanded distribution with new warehouses in Lahad Datu and Sandakan.
- Acquired new lands in Tawau and Sandakan for distribution centre (Tawau DC) and Sibuga Plant 2. Acquired 8.16 acres at KKIP for IZ8 Plant 2.

2024

Listed on Bursa Malaysia Main Market on 13 November 2024, raising RM63.4 million to fund:

- New drinking water lines at Sandakan Sibuga Plant 1 and Plant 2;
- Expansion of existing packaging facilities at KK IZ8 Plant 1;
- Setup second distribution centre in Sandakan.

2025

- Commenced operation at Keningau Plant with a 59 million litre water line, improving distribution to Sabah's interior.
- Acquired Twinine Sdn Bhd (sauces & condiments manufacturer) for RM10.5 million, diversifying into fast-moving consumer goods ("FMCG").
- Commissioned additional water line at Sandakan Sibuga Plant 1 with 178 million litre capacity, strengthening supply resilience.
- Achieved capacity of 626 million litres water and 37 million litres carbonated drinks.

Our Homegrown Twinine Brand Sauces & Condiments continue to be Sabah Chefs' Top Choice since 1990.

IN THE NEWS

8 Nov 2024

Main Market-bound Life Water posts RM7.5 mil profit in 1Q2025

KUALA LUMPUR (Nov 8): Main Market-bound bottle water producer Life Water Bhd (KL:LWSABAH) booked a net profit of RM7.49 million on revenue of RM42.59 million for its first quarter ended Sept 30, 2024 (1Q2025).

Within the beverages segment, drinking water was the largest revenue contributor for the Sabah-based company, accounting for RM36.19 million, or 84.99% of total revenue.

Pre-tax profit stood at RM8.96 million, its filing showed, representing a pre-tax margin of 17.6%. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period.

Life Water's listing has been scheduled for Nov 13, at 65 sen per share, which values the group with a market capitalisation of RM307.57 million.

On 2 July 2024, the group declared an interim single tier dividend of RM0.597 per ordinary share amounting to RM4 million in respect of the financial year ended June 30, 2024 (FYE 2024).

Operationally, the group is on track to enhance its production capacity with the commissioning of the new Keningau drinking water manufacturing plant, scheduled to begin operations in December 2024.

Once operational, the plant will increase the group's total production capacity to 448 million litres annually, from its existing output of 389 million litres for drinking water and 37 million litres of carbonated drinks across three plants in Sabah.

Life Water markets its products under brands like 'K2', 'Sasa', 'Sabah Water' (drinking water), as well as '2more' and 'TRITONiC' (carbonated drinks).

The group also manufactures private-label drinking water for petrol stations, hypermarkets, wholesalers and hotels. Aside from beverages, Life Water also sells plastic bottles, containers and battery water.

10 Oct 2024

Life Water surges 44.6% on maiden trading day

(From left) Life Water ED Chin Lee Ling, MD Liaw Hen Kong, MIDF Investment deputy CEO Datuk Seri Nur Julie Gwee Ariff and Life Water financial controller Christina Yap

The firm specialises in the production and distribution of drinking water and carbonated beverages, primarily serving Sabah market

LIFE Water Bhd, a local beverage manufacturer, entered into an underwriting agreement with MIDF Amanah Investment Bank Bhd (MIDF Investment) on Oct 1 in preparation for the company's IPO on the Main Market of the local bourse.

The IPO involves a public issue of 97.56 million new ordinary shares and an offer for sale of 28.39 million existing shares.

Of the 97.56 million new shares, 23.66 million will be made available for application by the Malaysian public, 14.19 million for eligible directors, employees and contributors to the company's success, 560,000 via private placement to selected investors and 59.15 million via private placement to identified Bumiputera investors approved by the Ministry of Investment, Trade and Industry.

According to the underwriting agreement, MIDF Investment will underwrite 37.85 million shares, covering the portions allocated to the Malaysian public and eligible directors, employees and contributors.

Headquartered in Sandakan, Life Water specialises in the production and distribution of drinking water and carbonated beverages, primarily serving the Sabah market.

The company's operations are supported by in-house plastic packaging production, enhancing overall efficiency.

Life Water operates production facilities in Sandakan and Kota Kinabalu, with distribution centres in Sandakan, Kota Kinabalu and Lahad Datu to ensure efficient delivery across the region.

Life Water's home-grown brands include K2, Sasa and Sabah Water for drinking water, as well as 2more and TRITONiC for carbonated drinks.
Additionally, the company provides contract manufacturing services for private-label drinking water for petrol stations, hypermarkets, wholesalers and hotels.

Proceeds from the IPO will be allocated for business expansion, working capital and listing expenses. Planned initiatives include acquiring a new water production line for Sandakan Sibuga Plant 1; constructing Sandakan Sibuga Plant 2, which will feature a 50,000 sq ft facility with both factory and office spaces; and enhancing plastic packaging facilities in Kota Kinabalu.

Furthermore, the company plans to establish a second distribution centre in Sandakan with a depot for delivery trucks, as the current warehousing space is fully utilised.

"The proceeds from the IPO will enable us to accelerate our expansion plans, including upgrading our production capabilities and enhancing our distribution network, all while supporting our growing operations across Sabah," said Life Water co-founder and MD Liaw Hen Kong in a statement.

"This marks an exciting chapter for Life Water as we strengthen our position in the beverage industry and continue to provide quality beverages at affordable prices to our customers," he added.

MIDF Investment serves as the principal advisor, underwriter and placement agent for Life Water's IPO. **— TMR**

13 Nov 2024

Life Water, MIDF Investment ink underwriting deal for IPO

(From left) Life Water Bhd senior directors Tan Hwong Kuen and Lim Young Piau, executive director Chin Lee Ling, managing director Liaw Hen Kong, chairman Datuk Petrus Gimbad and financial controller Christina Yap during the listing ceremony of the Sabah-based beverage manufacturer on the Main Market of Bursa Malaysia on Wednesday. (Photo by Zahid Izzani/The Edge)

KUALA LUMPUR (Nov 13): Sabah-based beverage manufacturer Life Water Bhd (KL:LWSABAH) made a strong debut on Bursa Malaysia's Main Market on Wednesday, closing 44.6% higher at 94 sen or up 29 sen from its initial public offering (IPO) price of 65 sen.

The counter opened at 77 sen and climbed to an intraday high of 94 sen, marking a 22% increase during the trading session, after 233.41 million shares were traded, making it the most actively traded stock of the day.

Demand for Life Water shares was strong ahead of the listing, with the public portion of the IPO oversubscribed by some 32 times. Shares set aside for subscription by eligible persons were also fully taken up, and so were the shares for identified Bumiputera investors through private placement.

Also fully taken up were new shares the company wanted to place to selected investors, as well as the tranche of existing shares offered by placement.

Life Water primarily manufactures beverages, including drinking water and carbonated drinks, and is also involved in plastic packaging production, delivery, and distribution services, with main operations in Sabah.

At the closing price of 94 sen, Life Water had a market capitalisation of RM444.79 million, based on its 473.18 million issued shares post-listing. The stock is valued at a price-to-earnings ratio of about 16 times, based on its profit after tax of RM28.1 million for the financial year ended June 30, 2024 (FYE 2024).

The sale of new shares raised RM63.4 million, which will be allocated towards several projects, including a new drinking water manufacturing line at Sandakan Sibuga Plant 1, another line at Sandakan Sibuga Plant 2, and a second distribution centre in Sandakan.

Life Water also plans to expand its plastic packaging facilities in Kota Kinabalu with the IPO proceeds, finance working capital, and defray listing expenses.

Strategic plant distribution to counter supply disruption

The company currently depends on only one single source of public water supply.

To counter potential disruption of water supply, the company said it has four manufacturing facilities spread across the state, while maintaining a minimum seven-day stock of water, managing director Liaw Hen Kong said during a conference after the listing ceremony here.

The company has more than 75 delivery trucks and external logistics partners to ensure timely distribution even to remote areas, he noted.

Life Water currently has three manufacturing plants producing up to 389 million litres of drinking water and 37 million litres of carbonated drinks and fruits. The new plant in Keningau to be operational by year end will increase the annual capacity to 448 million litres of drinking water.

Liaw highlighted that Plant 2 in Kota Kinabalu Industrial Zone 8, slated for completion in 2027, will introduce advanced manufacturing processes and expand the company's packaging capabilities.

Further, Life Water aims to deepen its market penetration into Sarawak and Brunei by appointing local distributor agents. The company's strategy includes a new warehouse facility in Tawau, located near the Kalimantan border, to tap into the growing demand in East Malaysia and beyond, he said.

Liaw added that the company's recent automation initiatives had mitigated the impact of an increase in wages.

IN THE NEWS

2 Jan 2025

Life Water to stamp its mark in beverage market

PETALING JAYA: Founded in Sandakan in 2002 with just one factory producing 6,000 cartons of bottled water monthly, Life Water Bhd has grown into a beverage giant.

The company, which was recently listed on the Main Market of Bursa Malaysia, now boasts four factories and eight warehouses across Sabah.

It holds an 11% share of Malaysia's bottled water market, producing about 1.7 million cartons a month. Life Water plans to use about 84% of its initial public offering (IPO) proceeds for a new phase of growth and expansion. With its headquarters still in Sandakan, Life Water operates plants in Kota Kinabalu and Lahad Datu.

Its newest factory in Keningau is set to begin operations in January, adding 59 million litres to its current annual production capacity of 389 million litres.

By 2027, the company expects to more than double its output to 804 million litres following new facilities and upgraded production lines.

Managing director Liaw Hen Kong told StarBiz plans are underway to expand deeper into Sarawak through a distributorship model, enabling faster penetration without heavy investments.

"Sabah remains our core market, but Sarawak offers tremendous potential. We plan to work closely with well-known distributors in Kuching to reach more consumers. We believe that at this juncture, it (distributorship model) is the most effective model to run as it does not require significant capital expenditure whilst providing us direct access into the market."

Liaw said Sabah's rising tourism and population growth will spur demand for convenient and clean drinking water, especially in rural and island communities where access to piped water is limited.

For instance, he said Sabah welcomed 2.41 million tourists in the first nine months of 2024, a 28.3% increase from the previous year. According to Liaw , operational efficiencies remains an area of focus given the rising costs.

"By improving internal processes and scaling production, we ensure bottled water remains affordable," Liaw said.

The company also has a presence in both upstream and downstream – from sourcing raw materials to producing its own plastic packaging, bottling, and marketing, he added.

Life Water currently operates a fleet of 75 trucks and collaborates with external logistics partners to ensure efficient distribution, even in rural and remote regions like Tawau where it holds a 10% to 20% market share.

It plans to acquire another eight to 15 trucks in 2025.

On challenges, he said accessibility to piped water in households isn't as straightforward in Sabah.

"Many communities, such as islanders and kampung residents, face inconsistent water supply.

It is also setting up a new production line at Sibuga Plant 1 in Sandakan, which is targeted to begin operations in the near future.

Another plant in the pipeline is the Sibuga Plant 2, spanning 50,000 sq ft. It will have one production line to serve the Sandakan and Tawau divisions. This project will be funded through a mix of IPO proceeds and internal or bank funds and is expected to be completed by 2027.

Life Water also plans to convert its Kota Kinabalu Industrial Zone 8 Plant 1 into a dedicated plastic packaging plant. An automated warehouse racking system and purchasing a PET pre-form injection moulding machine be installed to support future production. The company will proceeds from the IPO to fund this project, which is targeted for completion by 2025.

"These initiatives are expected to increase our annual production capacity from 389 million liters to 804 million liters by 2027.

"The expansion will also improve operational efficiencies and support our overall growth trajectory, ensuring we remain competitive and well-positioned to capture new opportunities in the region," Liaw added.

Bottled water makes up 80% of Life Water's business, with retailers accounting for more than 40%, wholesalers contributing around 20%, while hotels and end consumers together representing the remaining portion. Currently, the company operates at 75% to 80% of its production capacity, running on two shifts.

With local expertise, strategic growth plans, and sustainable practices, Liaw said Life Water aims to continue quenching Sabah's thirst for years to come.

23 Jan 2025

Life Water wants to work with Sabah Tourism Board

STB chairman Datuk Joniston Bangkuai with Life Water Berhad chairman Datuk Petrus Gimbad (centre). Also present from left to right) are Life Water executive director Chin Lee Ling, its managing director Liaw Hen Kong, and STB marketing manager Bobby Alex.

Kota Kinabalu: Homegrown public-listed company Life Water Berhad has proposed a potential collaboration with the Sabah Tourism Board (STB) to promote Sabah through its products.

During a courtesy call with STB Chairman Datuk Joniston Bangkuai on Wednesday, Life Water expressed interest in featuring Sabah's elements of culture, nature, and adventure on its beverage packaging.

This initiative aims to integrate tourism promotion into everyday consumer products to create greater visibility for the state.

Led by its Chairman, Datuk Petrus Gimbad, Life Water also planned to work with local communities to promote community-based tourism initiatives and produce videos to showcase Sabah's iconic tourism spots.

Present during the meeting were Life Water managing director Liaw Hen Kong, its executive director Chin Lee Ling, and STB marketing manager Bobby Alex.

Life Water, one of Malaysia's top three mineral water producers, markets its products, including K2 mineral water and carbonated drinks, throughout Sabah, Sarawak, and Brunei.

Welcoming the proposal, Joniston described it as a creative way to align with the ongoing Explore Sabah campaign, which highlights the state's unique offerings in culture, adventure, and nature.

He emphasised that partnerships like this are key to amplifying promotional efforts and enhancing Sabah's visibility as a must-visit destination, particularly in conjunction with Visit Malaysia 2026.

"STB is open to collaborations with the private sector that contribute to the growth of tourism and bring broader benefits to the state," Joniston said.

He added that such initiatives showcase how private businesses can play a valuable role in supporting local tourism and fostering awareness of Sabah's unique attractions.

20 Jan 2025

Life Water expands operation to Keningau

(From left to right): Life Water operations manager Chin Lee Yung @ Rina Chin, Liaw, Life Water executive director Chin Lee Ling and Life Water financial controller Christina Yap.

KOTA KINABALU (Jan 20): Life Water Berhad (Life Water) has commenced operations at its new Keningau plant, marking a significant milestone in its expansion strategy.

With an annual production capacity of 59 million liters, the new facility increases Life Water's total production capacity to 448 million liters per year, representing a 15 percent increase from the previous capacity of 389 million liters.

Located strategically to serve Sabah's interior regions, the Keningau plant will improve access to Life Water's products, enhance supply chain efficiency and reduce logistical costs, ensuring more reliable deliveries to remote areas.

This development reflects Life Water's ongoing commitment to strengthening its operations and market presence post-listing.

A key component supporting the Keningau plant's operations is the addition of two PET Preform Injection machines, which will be installed at one of Life Water's current manufacturing facilities, KK IZ8 Plant 1.

Partially funded by the Initial Public Offering (IPO) proceeds, the first unit is expected to begin operations by the first quarter of 2025, with the second unit scheduled for operation in the second half of 2025.

This advanced machine is designed to cater to the future production needs of Keningau and Sandakan plants.

By streamlining bottle production and enhancing operational efficiency, the machine will play a crucial role in ensuring a consistent supply of high-quality preforms, supporting the company's production growth in line with its stated use of proceeds.

Life Water managing director Liaw Hen Kong said the commencement of operations at their Keningau plant represents not only a corporate achievement but also a meaningful contribution to the development of Sabah's economy and its communities.

Liaw said situated in a less developed region, the plant strengthens local supply networks, fosters growth in secondary industries and enhances regional economic stability.

"By creating local job opportunities and collaborating with community suppliers, we are empowering the region and contributing to sustainable progress.

"This milestone also positions us to further enhance Life Water's market share and penetration by addressing growing demand with greater efficiency.

"It reflects our strategic vision post-listing, as we continue to invest in advanced technologies, expand production capacity and maintain our competitive edge.

"We look forward to continued progress as we implement further innovations and expansions to meet Malaysia's growing needs," he said in a statement.

In line with its post-listing expansion, Life Water is exploring further growth opportunities across Sabah and other regions to meet increasing demand and support long-term objectives.

Additionally, the company is working towards completing its Tawau Distribution Center which employs optimized logistics and ensures efficient deliveries across the region.

Reflecting its commitment to sustainability, the company has already installed solar systems at its Sandakan facility and KKIP IZ8 Plant Phase 1, paving the way for greener operations.

Building on this initiative, the company is now planning an additional Self-Consumption Rooftop Solar Photovoltaic (SELCO) system at its IZ8 Plant Phase 2 facility in Kota Kinabalu Industrial Park (KKIP).

The 410 kiloWatt peak (kWp) system is expected to generate approximately 700,000 kiloWTt hour (kWh) of energy annually, reducing the facility's carbon footprint by 400,000 kilogrammes annually.

The system is slated for completion by the second half of 2025.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Petrus Gimbad	(Independent Non-Executive Chairman)
Liaw Hen Kong	(Managing Director)
Chin Lee Ling	(Executive Director)
Tan Hwong Kuen	(Non-Independent Non-Executive Senior Director)
Lim Young Piau	(Non-Independent Non-Executive Senior Director)
Ang Seng Wong	(Independent Non-Executive Director)
Tan Mui Ping	(Independent Non-Executive Director)
Selma Enolil Binti Mustapha Khalil	(Independent Non-Executive Director)

Audit & Risk Management Committee

Tan Mui Ping (Chairperson)
Ang Seng Wong (Member)
Selma Enolil Binti Mustapha Khalil (Member)

Nomination Committee

Selma Enolil Binti Mustapha Khalil (Chairperson)
Ang Seng Wong (Member)
Tan Hwong Kuen (Member)

Remuneration Committee

Ang Seng Wong (Chairman)
Tan Mui Ping (Member)
Lim Young Piau (Member)

Company Secretaries

Lim Lih Chau
Licence No.: LS0010105
SSM PC No.: 201908001454

Yeow Sze Min
MAICSA No.: 7065735
SSM PC No.: 201908003120

Registered Office

Securities Services (Holdings) Sdn Bhd
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Persekutuan, Malaysia
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Head Office

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Share Registrar

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+603-2084 9000
+603-2094 9940
info@sshsb.com.my

Auditors

BDO PLT
Level 8, BDO @ Menara CenTARa,
360 Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur,
Wilayah Persekutuan
+603-2616 3055
+603-2616 3190

Principal Bankers

Malaysian Industrial Development Finance Berhad
Maybank Islamic Berhad
Public Bank Berhad
Hong Leong Bank Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Name: LWSABAH
Stock Code: 5328

Website

www.lifewater.com.my

CORPORATE STRUCTURE

生命泉源集團 202301002484 (1496403-W)
Life Water Berhad

100%
Life Water Industries Sdn Bhd
(Registration No. 199701014984 (430481-P))

100%
Life Water Marketing Sdn Bhd
(Registration No. 200701027403 (785425-P))

100%
Green Borneo Industries Sdn Bhd
(Registration No. 201001016886 (900589-H))

100%
K2 Water Sdn Bhd
(Registration No. 201401042504 (1118672-P))

100%
Twinine Sdn Bhd
(Registration No. 199001018508 (210177-H))

100%
Syarikat Maju Sasa Sdn Bhd
(Registration No. 200701027401 (785423-D))

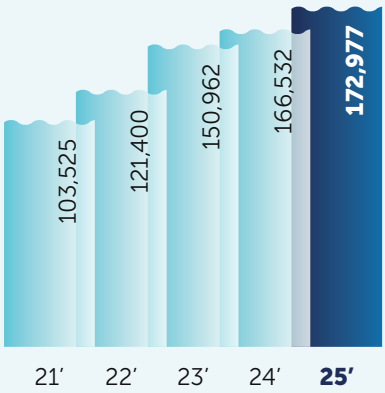
100%
Syarikat Rasa Kool Sdn Bhd
(Registration No. 200701027404 (785426-M))

100%
Cyplast Industries Sdn Bhd
(Registration No. 202201008736 (1454433-D))

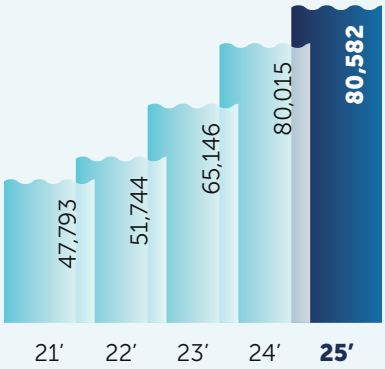
FINANCIAL HIGHLIGHTS

	Unit	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025
Revenue	RM'000	103,525	121,400	150,962	166,532	**172,977**
Cost of sales	RM'000	55,732	69,656	85,816	86,517	**92,395**
Gross Profit ("GP")	RM'000	47,793	51,744	65,146	80,015	**80,582**
Profit Before Tax ("PBT")	RM'000	19,032	17,584	24,233	36,553	**35,025**
Profit After Tax ("PAT")	RM'000	17,661	15,737	20,621	28,121	**30,022**
GP margin	%	46.17	42.62	43.15	48.05	**46.58**
PBT margin	%	18.38	14.48	16.05	21.95	**20.25**
PAT margin	%	17.06	12.96	13.66	16.89	**17.36**
Gearing ratio	Times	0.80	0.96	0.73	0.88	**0.51**
Net gearing ratio	Times	0.44	0.67	0.43	0.49	**0.06**
Current ratio	Times	2.38	1.93	2.68	3.26	**4.30**

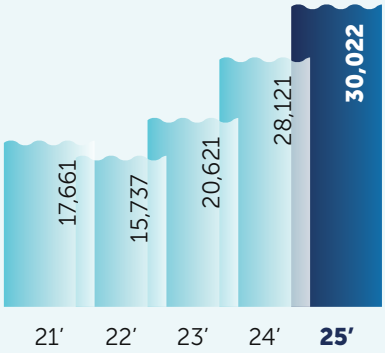
REVENUE
(RM'000)



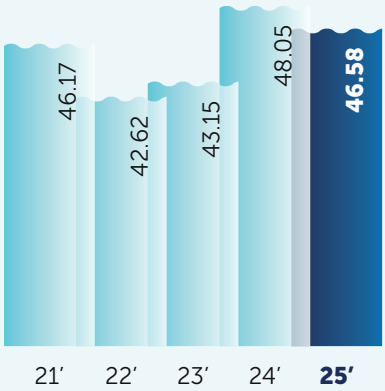
GP
(RM'000)



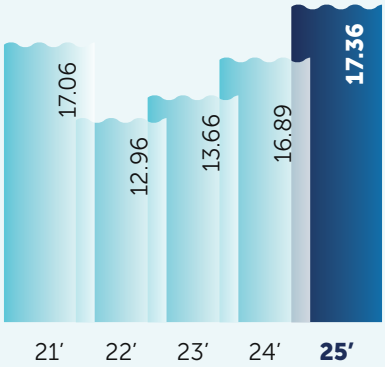
PAT
(RM'000)



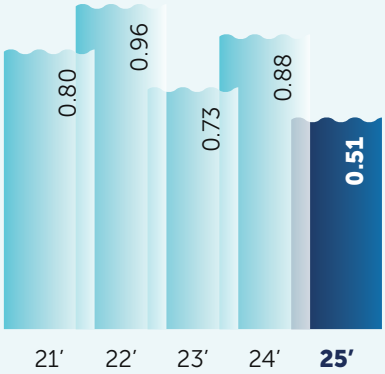
GP MARGIN
(%)



PAT MARGIN
(%)



GEARING RATIO
(Times)



PROFILE OF BOARD OF DIRECTORS

DATUK PETRUS GIMBAD

Independent Non-Executive Chairman

Malaysian | 69 y/o | Male

Date of Appointment:
27 November 2023

Membership of Board Committees:
-

Datuk Petrus Gimbad, a Malaysian, male, aged 69, is our Independent Non-Executive Chairman. He was appointed to our Board of Directors ("**Board**") on 27 November 2023.

He is a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow Member of The Chartered Association of Certified Accountants ('**ACCA**'). He has a Master of Business Administration from The University of Bath and a Master of Advanced Business Practice from University of South Australia. He also has a Postgraduate Diploma in Systems Thinking in Practice and Certificates in Managing for Sustainability, Institutional Development and Conflict and Development from The Open University in Milton Keynes, United Kingdom.

He began his career at Petroliam Nasional Berhad ("**PETRONAS**") in July 1981 and stayed until end December 1987. He started as a Production Sharing Contract Auditor in July 1981. And, was later seconded to Malaysia LNG Sdn Bhd as a Financial Accountant before returning to PETRONAS as Group Budget Accountant.

In January 1988, he embarked on his professional career with Ernst & Whinney (now known as Ernst & Young) ("**EY**") as an Audit Senior. He was admitted to partnership in January 1997. In November 2007, he was posted to EY Vietnam office to lead the advisory practice which covers the Indochina area of Vietnam, Laos and Cambodia. He retired from his position as the Partner of EY in June 2009 after over 20 years with the firm. During his tenure in EY, he was involved in external and internal audits, consultancy and advisory practice where he was mainly involved in corporate finance matters, privatisation, corporate listing, corporate restructuring, fraud investigation, risk advisory and strategy development.

After retirement from EY, he was appointed to the Board of Energy Commission Malaysia from September 2014 to August 2018. He had also sat on other Boards such as Yayasan Inovasi Malaysia, Kwantas Corporation Berhad and a not for profit organization, Good Shepherd Services.

He presently sits on the board of directors of Inland Revenue Board of Malaysia (since September 2022), CPS Tower Sdn Bhd (since November 2007) and Sabah Electricity Sdn Bhd (since July 2023).

Save for his directorship of the Company, he does not hold any other directorship in public companies and listed corporation.

He does not have any family relationship with any of our Directors and/or major shareholders.

PROFILE OF BOARD OF DIRECTORS

LIAW HEN KONG

Managing Director

Malaysian | **54 y/o** | **Male**

Date of Appointment:
27 November 2023

Membership of Board Committees:
-

Liaw Hen Kong, a Malaysian, male, aged 54, is our Managing Director. He was appointed to our Board on 27 November 2023, and is primarily responsible for piloting the overall strategic direction as well as formulating the business growth and development of our Group.

He graduated with a Diploma in Business Studies from Systematic Business Training Centre (now known as SEGi University and Colleges) in 1991 and completed the London Chamber of Commerce and Industry (LCCI) course in the same year. He graduated from the professional examination of the Association of Chartered Certified Accountants ("**ACCA**") in May 1998.

He began his career in January 1995 with an audit firm, Mohamed Yeng & Co as an Audit Assistant handling audit and accounting matters. He left Mohamed Yeng & Co at the end of 1996 and subsequently joined Arthur Andersen & Co, in February 1997 as a Staff Assistant handling audit and tax matters. In early 2000, he left Arthur Andersen & Co to change his career direction, as he decided to set up his own drinking water trading business with his own truck covering the East Coast of Sabah.

Lack of access to clean drinking water in Sabah has led him to invest in Life Water Industries, a company engaged in the marketing of drinking water treatment products which has been inactive and suspended business operations then, together with the other 3 Promoters in 2001. He was appointed as a director of Life Water Industries in August 2001, a position he still presently assumes.

On the social front, he is currently serving as the Chairman of the Malaysian Plastics Manufacturers Association Sabah Branch (since May 2018).

In November 2018, he received the Illustrious Order of Kinabalu (Darjah Yang Amat Mulia Kinabalu) for rendering meritorious and outstanding services to Sabah for his contribution to the community for corporate social responsibility activities in Sabah.

Besides being our Managing Director, he also presently holds directorship in all of our Subsidiaries.

He is the spouse of Chin Lee Ling, our Executive Director and has family relationship with Chin Chun Ming (brother-in-law), our Technical Manager and Chin Lee Yung @ Rina Chin (sister-in-law), our Operations Manager.

Save for his directorship of the Company, he does not hold any other directorship in public companies and listed corporation. Mr. Liaw also serves as Chairman of the Federation of Malaysia Manufacturing (FMM), Sabah Branch since October 2024 and was appointed as a member of the Board of PERKESO, representing Employers (Sabah). His term as member of the Board took effect from 1st August 2025 and ends on 31st July 2027.

PROFILE OF BOARD OF DIRECTORS

CHIN LEE LING

Executive Director

Malaysian | 53 y/o | Female

Date of Appointment:
27 November 2023

Membership of Board Committees:
-

Chin Lee Ling, a Malaysian, female, aged 53, is our Executive Director. She was appointed to our Board on 27 November 2023, and is primarily responsible for overseeing the human resources department, product development, branding and marketing activities, and IT department of our Group.

She graduated with a National Computing Centre (United Kingdom) International Diploma in Computer Studies from Informatics Institute in March 1992. She then completed the London Chamber of Commerce and Industry (LCCI) course in 1993 and the professional examination of the ACCA in 1998.

She began her career in February 1997 with Incaplas (Malaysia) Sdn Bhd at the Petaling Jaya office, a company principally involved in manufacturing of plastic products, as an Accounts Assistant and was subsequently promoted to the position of Accounts Executive in October 1997. As part of the accounting team, she was tasked with various accounting functions including preparation of monthly financial statements, monitoring daily cash-flow, and participating in quarterly physical stock counts. She left the company at the end of 1997 to return to Sabah.

Upon returning to Sabah, she took up a few part-time jobs engaging in accounting and administration functions prior to joining Yu Kien Sdn Bhd, the then manufacturer of drinking water in Sabah, as an Account Executive in mid-1998. During her tenure with the company, she was responsible for overseeing the accounting team and human resources team as well as managing the overall business operations, including procurement, production planning, supervision of production line, credit control, preparation of monthly management accounts and monitoring daily cash flow.

Lack of access to clean drinking water in Sabah has led her to invest in Life Water Industries, a company engaged in the marketing of drinking water treatment products which had been inactive and suspended business operations then, together with the other 3 Promoters in 2001. She was appointed as a director of Life Water Industries in August 2001, a position she still presently assumes.

In addition to her executive responsibilities, she spearheads our Group's green initiatives and Environmental, Social and Governance (ESG) activities, with a focus on sustainable product development, responsible resource use, and community-oriented programmes.

Besides being our Executive Director, she also presently holds directorship in all of our Subsidiaries.

She is the spouse of Liaw Hen Kong, our Managing Director, and has family relationship with Chin Chun Ming (brother), our Technical Manager and Chin Lee Yung @ Rina Chin (sister), our Operations Manager.

Save for her directorship of the Company, she does not hold any other directorship in public companies and listed corporation.

PROFILE OF BOARD OF DIRECTORS

TAN HWONG KUEN

Non-Independent Non-Executive Senior Director

Malaysian | **53 y/o** | **Male**

Date of Appointment:
27 November 2023

Membership of Board Committees:
- Member of Nomination Committee

Tan Hwong Kuen, a Malaysian, male, aged 53, is our Non-Independent Non-Executive Senior Director. He was appointed to our Board on 27 November 2023.

He graduated with an Advanced Diploma in Computer Studies from Informatics Institute in June 1993.

In June 1994, he joined his family company, Multihope Enterprise Sdn Bhd, a company principally involved in the trading of scrap metal and used vehicle parts, as a Supervisor, overseeing the day-to-day business operations. In December 1994, he was appointed as a director of Multihope Enterprise Sdn Bhd, a position he still presently assumes.

He invested in Life Water Industries, a company engaged in the marketing of drinking water treatment products which has been inactive and suspended business operations then, together with the other 3 Promoters in 2001. He was appointed as a director of Life Water Industries without any executive role in August 2001, a position he still presently assumes.

He is the Secretary General of Sabah Scrap Metals Recycle Association since April 2008.

Besides being our Non-Independent Non-Executive Senior Director, he also presently holds directorship in all of our Subsidiaries.

Save for his directorship of the Company, he does not hold any other directorship in public companies and listed corporation.

He does not have any family relationship with any of our Directors and/or major shareholders.

PROFILE OF BOARD OF DIRECTORS

LIM YOUNG PIAU

Non-Independent Non-Executive Senior Director

Malaysian | 53 y/o | Male

Date of Appointment:
27 November 2023

Membership of Board Committees:
- Member of Remuneration Committee

Lim Young Piau, a Malaysian, male, aged 53, is our Non-Independent Non-Executive Senior Director. He was appointed to our Board on 27 November 2023.

He attended Kian Kok Middle School from 1985 to 1990.

In January 1992, he joined his family business, Hong Seng Cold Storage, a partnership principally involved in the wholesale and retail of frozen foodstuffs where he was responsible for overseeing the overall operations of the business. As the family business grows and expands, he incorporated Hong Seng Importer & Exporter Sdn Bhd with his family members in January 2004 to assume all the businesses and assets of Hong Seng Cold Storage. He was appointed as a director of Hong Seng Importer & Exporter Sdn Bhd in January 2004, a position he still presently assumes.

He invested in Life Water Industries, a company engaged in the marketing of drinking water treatment products which has been inactive and suspended business operations then, together with the other 3 Promoters in 2001. He was appointed as a director of Life Water Industries without any executive role in July 2011, a position he still presently assumes.

Besides being our Non-Independent Non-Executive Senior Director, he also presently holds directorship in all of our Subsidiaries.

Save for his directorship of the Company, he does not hold any other directorship in public companies and listed corporation.

He does not have any family relationship with any of our Directors and/or major shareholders.

PROFILE OF BOARD OF DIRECTORS

ANG SENG WONG

Independent Non-Executive Director

Malaysian | **63 y/o** | **Male**

Date of Appointment:
27 November 2023

Membership of Board Committees:
- Chairman of Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Nomination Committee

Ang Seng Wong, a Malaysian, male, aged 63, is our Independent Non-Executive Director. He was appointed to our Board of Directors on 27 November 2023. In his education, he holds a Bachelor of Arts in Sociology and a Bachelor of Business in Banking and Finance from Chisholm Institute of Technology (now known as Monash University) in Melbourne, Australia. He also earned a Master of Business Administration (MBA) from Cardiff Metropolitan University in the United Kingdom. Professionally, he is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA), as well as a Fellow of the Institute of Corporate Directors Malaysia.

Mr. Ang began his career as an accountant in Melbourne, Australia, in 1985. Upon returning to Malaysia in 1989, he held several key leadership roles, including Finance Director for a Taiwanese electronics firm, Executive Representative for China Investment & Development Co. Ltd., and Corporate Affairs Manager at NCK Corporation Bhd. He was later appointed General Manager and Executive Director of Astral Supreme Bhd.

Over the course of his career, Mr. Ang has accumulated extensive senior management experience both in Malaysia and internationally. In addition, he has delivered both public and in-house training programs for prominent organisation such as Petronas, Telekom, NEC Corporation of Malaysia Sdn. Bhd., Maxis, DRB-Hicom, Pantai Group, Columbia Hospital, MISC Berhad, Sabic Innovative Plastics (M) Sdn. Bhd. etc. across Malaysia, Singapore, Thailand and Philippines. He is an accredited trainer with the Human Resources Development Corporation (HRD Corp) and has lectured in postgraduate programs for institutions including the University of Gloucestershire, London Examination Board, Universiti Teknologi Malaysia, Universiti Malaysia Pahang, Asia e University (AEU), Universiti Sains Malaysia, and Genovasi University College.

He is currently the Independent Non-Executive Chairman of CPE Technology Berhad and Independent Non-Executive Chairman of Infoline Tec Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

He has no family relationship with any Director and/or major shareholder of the Company.

PROFILE OF BOARD OF DIRECTORS

TAN MUI PING

Independent Non-Executive Director

Malaysian | 49 y/o | Female

Date of Appointment:
27 November 2023

Membership of Board Committees:
- Chairperson of Audit and Risk Management Committee
- Member of Remuneration Committee

Tan Mui Ping, a Malaysian, female, aged 49, is our Independent Non-Executive Director. She was appointed to our Board on 27 November 2023.

She obtained a certification for the ACCA in February 1999. She became a Member of ACCA in April 2001 and was subsequently made a Fellow Member of ACCA in April 2006. She is also a member of the Malaysian Institute of Accountants since December 2001, a registered company secretary with the SSM since February 2020 as well as a member of the Institute of Corporate Directors Malaysia since January 2022.

She has more than 20 years of experience in senior finance roles which cover the areas of corporate finance, investment analysis, business development partnering and investment feasibility study, and group finance matters, treasury and tax planning.

She began her career in Shamsir Jasani Grant Thornton (now known as Grant Thornton Malaysia PLT) in 1998.

In 2001, she joined Wah Seong Corporation Berhad (currently known as Wasco Berhad) as an Accountant where, she was responsible for the group reporting and corporate finance functions. She was also involved in the listing exercise of Wah Seong Corporation Berhad.

In 2003 she joined Edaran Otomobil Nasional Berhad as a Manager - Group Finance where she was responsible for the group finance matters, corporate finance and tax planning as well as involved in its business transformation program.

In 2007, she joined Advance Synergy Berhad ("**ASB**") as Finance Manager (function as Head of Finance). During her tenure with ASB, she was involved in various corporate exercises including fund raising, acquisitions and disposals as well as privatization and delisting exercise.

In 2012, she joined Weida (M) Bhd ("**Weida**") as a Senior Manager of the Corporate Department. She was promoted to the position of General Manager in the Group Managing Director's office in 2014 and was subsequently redesignated as Financial Advisor to Group Executive Chairman in 2023, a position she assumes to present date. Throughout her tenure with Weida, she supports the Group Executive Chairman and works closely with other team members and strategic partners on Group Executive Chairman related tasks and projects. Her responsibilities include business development partnering, investment feasibility study, corporate finance, group finance matter, treasury, group tax planning and support the senior management in investors' relations activities. She was also the acting Financial Controller of Weida's property development division from 2013 to 2016.

She is currently the Independent Non-Executive Director of Evergreen Fibreboard Berhad and Infoline Tec Group Berhad, both are listed on the Main Market of Bursa Securities. She is also the Independent Non-Executive Director of Oasis Home Holdings Berhad, and A1 A.K. Koh Group Berhad, both are listed on the ACE Market of Bursa Securities.

She does not have any family relationship with any of our Directors and/or major shareholders.

PROFILE OF BOARD OF DIRECTORS

SELMA ENOLIL BINTI MUSTAPHA KHALIL

Independent Non-Executive Director

Malaysian | **54 y/o** | **Female**

Date of Appointment:
27 November 2023

Membership of Board Committees:
- Chairperson of Nomination Committee
- Member of Audit and Risk Management Committee

Selma Enolil Binti Mustapha Khalil, a Malaysian, female, aged 54, is our Independent Non-Executive Director. She was appointed to our Board on 27 November 2023.

She graduated from University of Wales, Aberystwyth (now known as University of Aberystwyth) with a Bachelor of Laws in July 1994. She obtained her Certificate in Legal Practice in December 1995 and was called to the Malaysian Bar as an Advocate and Solicitor in November 1996. She brings with her over 28 years of experience in the legal profession and her key area of practice currently is corporate and commercial law.

In December 1996, she started her career as an Advocate and Solicitor with Messrs Abu Talib Shahrom & Zahari. In October 1998, she left Messrs Abu Talib Shahrom & Zahari and joined TNB Repair and Maintenance Sdn Bhd ("**TNB Remaco**") as a Legal Executive and was involved in legal advisory and contract review. TNB Remaco is a subsidiary of TNB, a company listed on the Main Market of Bursa Securities. She left TNB Remaco in June 2000 and resumed practicing law as an Advocate and Solicitor with Messrs Raslan Loong (now known as Messrs Raslan Loong, Shen & Eow) in July 2000. She left the firm in August 2003 and co-founded Messrs Enolil Loo, Advocates and Solicitors in September 2003, in which she is currently a Partner.

She presently sits on the board of directors of Techbond Group Berhad (since January 2018), Selangor Dredging Berhad (since December 2018), Powerwell Holdings Berhad (since January 2019) and Unique Fire Holdings Berhad (since October 2021) as an independent non-executive director. Techbond Group Berhad, Selangor Dredging Berhad and Unique Fire Holdings Berhad are listed on the Main Market of Bursa Securities, while Powerwell Holdings Berhad is listed on the ACE Market of Bursa Securities.

She does not have any family relationship with any of our Directors and/or major shareholders.

NOTES:

Attendance of Board Meetings
The attendance of the Directors at Board Meetings held during the financial year ended 30 June 2025 is disclosed in the Corporate Governance Overview Statement on page 70.

Conflict of Interest and Potential Conflict of Interest
None of the Directors has any conflict of interest and potential conflict of interest with the Company.

Conviction for Offences
Other than traffic offences, if any, the Directors have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2025.

PROFILE OF KEY SENIOR MANAGEMENT

CHRISTINA YAP CHUI FUI

Group Financial Controller

Malaysian | 47 y/o | Female

Christina Yap Chui Fui, a Malaysian, female, aged 47, is our Group Financial Controller. She is responsible for overseeing and monitoring the financial accounting and taxation matters, and corporate activities which include, amongst others, the planning and coordinating of the financial reporting activities.

She is a Chartered Accountant and was admitted as a member of the ACCA in October 2003. She is also a member of the Malaysian Institute of Accountants since July 2004. In October 2008, she became a fellow member of ACCA. In February 2024, she has satisfied the requirements of the ASEAN Mutual Recognition Arrangement on Accountancy Services is emplaced as an ASEAN Chartered Professional Accountant.

She started her career in March 2001 as Staff Assistant in Lau Chua Kong & Co. In December 2001, she joined KPMG as an Audit Assistant where she was involved in audit assignments of various industries, including trading and manufacturing, construction, plantations and government agencies until February 2002. She took a 9-month break for preparation of ACCA examination until November 2002. She then rejoined KPMG in December 2002 after her ACCA examination.

She resigned from KPMG in July 2004 and joined Empor Holdings Sdn Bhd, as an Accountant. She was transferred to its related company, Empor Management Services Sdn Bhd in mid-2009. During her tenure from July 2004 to November 2011 with Empor group of companies, she was mainly responsible for overseeing financial functions related to planning, procurement, investment and accounting.

In December 2011, she joined Kim Teck Cheong Sdn Bhd (a wholly-owned subsidiary of Kim Teck Cheong Consolidated Berhad) ("**Kim Teck Cheong**"), a fast-moving consumer goods company as Group Manager (Finance/Investment) – Corporate (the title of Group Manager (Finance/Investment) – Corporate has been subsequently renamed as Associate Director, Treasury – Corporate). During her tenure with Kim Teck Cheong, she was mainly responsible for overseeing the financial matters of the group and the coordination of other professional advisers for the flotation exercise of the group on ACE Market of Bursa Securities.

She left Kim Teck Cheong in March 2018 and joined Life Water Industries in April 2018 as the Group Financial Controller.

She brings with her more than 24 years of experience in accounting, finance and internal audit, and over 7 years of experience with our Group.

She does not have any family relationship with any of our Directors and/or major shareholders.

CHIN LEE YUNG @RINA CHIN

Group Operations Manager

Malaysian | 50 y/o | Female

Chin Lee Yung @ Rina Chin, a Malaysian, female, aged 50, is our Group Operations Manager. She is responsible for overseeing the production, quality, logistics and warehouse departments of our Group.

Ms Chin assumed the lead role in the Group's numerous upcycling projects over the years, winning many upcycling competitions using recycled bottles and more importantly promoting eco conscious art. Some examples of the winning art pieces are The 2019 Gaya Street Mid-Autumn Lantern Competition which took home the Champion prize. During the 2018 Gaya Street Mid-Autumn Lantern Festival, her team clinched the overall 2nd runner up prize, won The Longest Parade Team and The Best Costume & Decoration using plastic bottles.

She attended Sekolah Menengah Arshad, Kota Belud, Sabah from 1989 to 1991, and Kinabalu Commercial College from 1991 to 1992.

After leaving Kinabalu Commercial College in 1992, she pursued her personal interests in bakery and confectionery, and worked in few bakeries in Kota Kinabalu, Sabah and Singapore.

She joined Life Water Industries in April 2007 as Factory Supervisor where she was responsible for overseeing the production lines in Sandakan Megah Plant and Sandakan Sibuga Plant. She was promoted to our Group Factory Manager in January 2022 and was re-designated to our Group Operations Manager in January 2023.

She brings over 18 years of experience in drinking water industry and with our Group.

Chin Lee Yung @ Rina Chin is the sister of Chin Lee Ling and Chin Chun Ming, our Executive Director and our Group Technical Manager respectively, and sister-in-law of Liaw Hen Kong, our Managing Director.

PROFILE OF KEY SENIOR MANAGEMENT

CHIN CHUN MING

Group Technical Manager

Malaysian | **52 y/o** | **Male**

Chin Chun Ming, a Malaysian, male, aged 52, is our Group Technical Manager. He is responsible for overseeing the machinery installation plans and infrastructure, maintenance and upgrading of machinery of our Group's factories.

He obtained his Diploma in Electrical and Electronic Engineering from INTI College Malaysia in April 1995.

Upon his graduation, he started his career with Reliance Computer Agency in June 1995 as a Computer Technician, handling software installation and troubleshooting. In June 1997, he left Reliance Computer Agency and joined Zuma Engineering Sdn Bhd in July 1997 as a Computer Senior Technician where he assisted in repairing computer equipment. Subsequently in June 2006, he left Zuma Engineering Sdn Bhd and joined Diriwan Corporation Sdn Bhd in July 2006 as an Assistant Technical Supervisor where he was in charge of supervising the maintenance of all the electrical terminal and equipment of the company. In October 2006, he was transferred to Lotteries Corporation Sdn Bhd, a related company of Diriwan Corporation Sdn Bhd as a Maintenance Technician for its information technology department.

In September 2010, he left Lotteries Corporation Sdn Bhd and joined Green Borneo Industries in the same month as a Factory Supervisor where he was in charge of all the machinery installation plans and infrastructure, and supervised the production, maintenance and upgrading of machineries and recruitment of factory personnel. He was one of the pioneers of Green Borneo Industries, and was instrumental in the setting up and establishment of our KK IZ4 Plant, responsible for all machinery installation plans and infrastructure. He was promoted to our Group Production Manager in January 2022 and was re-designated to our Group Technical Manager in January 2023.

He brings over 15 years of experience in drinking water industry and with our Group.

Chin Chun Ming is the brother of Chin Lee Ling and Chin Lee Yung @ Rina Chin, our Executive Director and our Group Operations Manager respectively, and brother-in-law of Liaw Hen Kong, our Managing Director.

NOTES:

Directorship in Public Companies and Listed Issuers
None of the key senior management has any directorship in public companies and listed issuers.

Conflict of Interest and Potential Conflict of Interest
None of the key senior management has any conflict of interest and potential conflict of interest with the Company.

Conviction for Offences
Other than traffic offences, if any, the key senior management have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2025.

CHAIRMAN'S STATEMENT

Dear Stakeholders,

At Life Water Berhad, we believe water is more than a necessity, it is the thread connecting nature, community, and business. On behalf of the Board of Directors of Life Water Berhad, I am pleased to present the Inaugural Annual Report for the financial year ended 30 June 2025 - a year of deep growth, resilience, and meaningful stewardship.

DATUK PETRUS GIMBAD
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

> The public tranche was oversubscribed by **32.19 times**, signalling significant investor confidence in our Group's management capabilities and business prospects.

HIGHLIGHTS AND MILESTONES

As the leading homegrown beverages manufacturer in Sabah, the year in review was one of many defining milestones for Life Water, including of course, our successful listing to the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") on 13 November 2024. This milestone represents a significant new chapter of sustainable and dynamic value creation for our stakeholders, while fostering a new chapter of Borneo-centric growth.

The Initial Public Offering ("**IPO**") involved public issuance of 97.56 million new shares and the offer for sale of 28.39 million existing shares. Proudly, the public tranche was oversubscribed by 32.19 times, signalling significant investor confidence in our Group's management capabilities and business prospects, as well as the public's enthusiasm for local beverage brands.

In recognition of the success of our listing, our IPO's principal adviser - MBSB Investment Bank Berhad *(formerly MIDF Amanah Investment Bank Berhad)* was awarded Best Islamic Small Cap IPO at The Asset Triple A Islamic Finance Awards 2025 for their role in our listing. I am also proud to note that our subsidiary Green Borneo Industries Sdn Bhd was awarded the Malaysia Smart Manufacturing Award 2023 under IR4.0 Readiness Category: Adoption Achievement, endorsed by the Ministry of Investment, Trade and Industry.

Operationally, the past financial year saw us focus on strengthening production capacity to support future growth. We commenced operation of our new Keningau plant in January 2025, adding 59 million litres of annual production capacity to our portfolio. Concurrently, the year-end commissioning of the Sandakan Sibuga Plant 1 drinking water line is expected to lift our total drinking water capacity to 626 million litres per annum ("**LPA**") by the coming financial year. With these initiatives, we remain on-track towards achieving our targeted production capacity of 804 million LPA by FYE 2027 as outlined in our Prospectus. Complementing our manufacturing expansion, we grew our delivery fleet to 90 trucks, expanding our reach to tap into historically underserved markets.

Meanwhile, acquisition of Twinine Sdn Bhd ("**Twinine**"), was completed at the close of the financial year, marking our diversification into the wider FMCG market and our journey to meeting more of our customers' daily needs.

While we progressed in our manufacturing abilities, we continued mindfully in our journey of sustainability integration. Focusing on connecting the dots of the circular economy, we also engaged with our local community to ensure awareness and mindfulness in the future generations.

MACROECONOMIC AND OPERATING ENVIRONMENT

The operating market and economic landscape of the year in review presented a mix of challenges and opportunities for Life Water to capitalise on and traverse. Rising operating costs, particularly from the implementation of the Minimum Wages Order 2024, placed additional pressure across industries, while fluctuations in raw material prices continued to affect operating expenses for beverage manufacturers. We navigated this through efficiency measures and operational optimisation, ensuring minimal disruption to our growth momentum.

CHAIRMAN'S STATEMENT

MACROECONOMIC AND OPERATING ENVIRONMENT (CONT'D)

Nevertheless, the demand for essentials like potable water remained relatively insulated from broader market instabilities, with steady offtake across households, retailers and rural communities. At home, East Malaysia continues to offer additional growth levers – greater market coverage supported by growing intra-Borneo connectivity (as outlined by the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area framework, "**BIMP-EAGA**") and increasing demand for bottled beverages from our buoyant tourism industry.

With Visit Malaysia 2026 targeting 35.6 million tourist arrivals, Sabah plays an increasingly pivotal role in Malaysia's national tourism goals. In 2025, the Sabah state government set its own target of 3.5 million visitors, and by August 2025 had already welcomed over 2.1 million tourists, achieving 60.6% of the goal within the first seven months. The post-pandemic revival of tourism is expected to continue to drive demand for drinking water consumption across hotels, restaurants, and retail outlets, benefitting beverage producers like Life Water.

For FYE 2025, the Group achieved RM172.97 million in revenue, up 3.9% year-on-year, mainly driven by stronger sales of drinking water. Quarterly sales remained stable at around RM42–45 million, underscoring consistent demand for our core products. Net profit rose 10.1% year-on-year to RM30.97 million (normalised), translating to a healthy 17.9% PAT margin. This consistency reflects the resilience of our core bottled water business despite softer consumer sentiment, effective cost management amid rising material and overhead expenses, and the strong relationships we maintain with retailers and wholesales that ensure sustained demand and recurring sales.

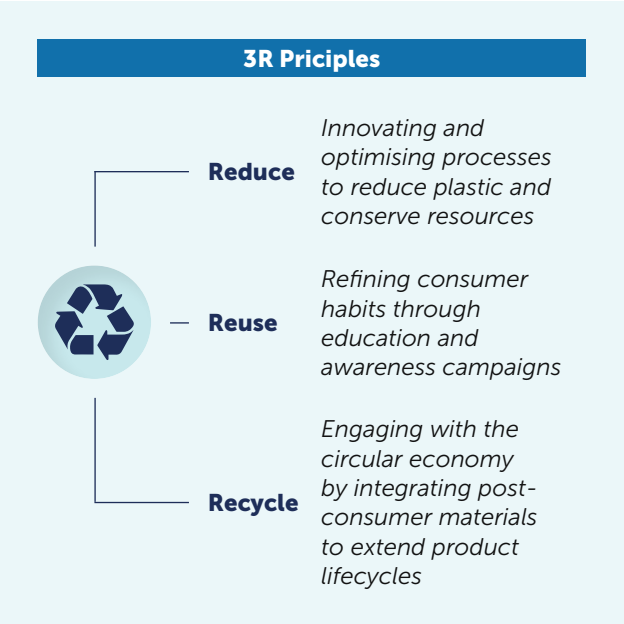
DIVIDEND

We are pleased to announce that the Directors have approved an interim dividend of RM0.0159 per ordinary share, amounting to approximately RM7.52 million for the financial year ended 30 June 2025. The proposed dividend is in line with the Company's Dividend Policy of paying out at least 20% of its audited group profit attributable to shareholders for the financial year, after excluding non-operating income that is capital in nature. This interim dividend which reflects our commitment to balancing growth reinvestment with shareholder returns.

ENSURING SUSTAINABLE GROWTH

Our growth story is inseparable from our sustainability journey. We have always recognised that water is not just a product, but a shared resource and responsibility. This belief guides us to act with accountability at every stage, from protecting our water sources and implementing rigorous quality controls, to introducing eco-friendly packaging solutions that reduce environmental impact.

Our Environmental, Social and Governance ("**ESG**") framework is anchored in the 3R principles – Reduce, Reuse, Recycle:



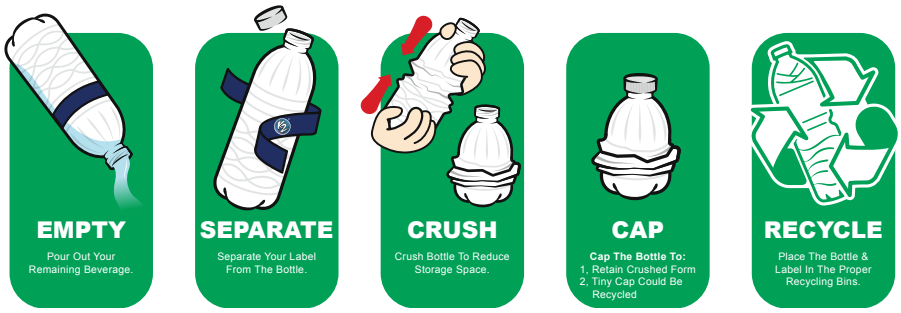
In the reporting year, we have made significant strides in our corporate stewardship journey. We launched the K2 Green Bottle, a defining milestone for our product range. –As Malaysia's first bottled water with packaging made entirely from 100% recycled Polyethylene Terephthalate ("**rPET**"), it represents a key innovation and a statement of intent - that PET bottles need not be treated as single-use disposables, but as resources that can be repurposed repeatedly in support of a thriving circular economy.

Beyond packaging, we are embedding sustainability into our wider operations to conserve electricity and increase our production efficiency. Solar rooftop systems are being installed at our facilities to lower carbon emissions and reduce our reliance on non-renewable energy. At our KK IZ8 Plant 1, we enforce Operation Clean Sweep ("**OCS**") – led by the Malaysian Plastics Manufacturers Association, to prevent plastic pellet leakage into waterways, underscoring our commitment to mitigating pollution.

CHAIRMAN'S STATEMENT

ENSURING SUSTAINABLE GROWTH (CONT'D)

Since 2017, Life Water has collected nearly 10,000 kilograms of post-consumer bottles, driven by community-based initiatives such as school awareness programmes, recycling partnerships with hotels, and social media campaigns encouraging everyday green actions. We championed the Life Water 5 Steps Recycle campaign *(Empty, Separate, Crush, Cap, Recycle)*, demonstrating practical habits to make recycling simple and actionable for consumers.



At the same time, our employees continued to participate in social and environmental initiatives, from tree planting and beach clean-ups to disaster relief aid and conservation efforts such as the Sabah Parks' Turtle Nest Adoption Programme.

While we strive to achieve our business goals, we recognise that sustainability is a collective effort. We will continue to embed the principles of shared growth and sustainable development into Life Water's ethos to ensure a cleaner, more equitable future for all our stakeholders.

Life Water team planted 26 saplings of the Shorea Leprosula tree species in conjunction with its 20th Anniversary Celebration

CHAIRMAN'S STATEMENT

OUTLOOK

Looking ahead, Life Water's growth will be driven by our continued capacity expansion and distribution enhancements. The commissioning of the Sandakan Sibuga Plant 1 line by July 2025 will provide additional production strength to support rising demand, while the upcoming Tawau Distribution Centre will further reinforce our logistics and supply resilience across East Malaysia. Together with our existing network of four factories and eight warehouses, these developments position us well for the next phase of growth.

We are also aligning our expansions to the BIMP-EAGA economic corridor, where connectivity upgrades such as Sabah's deep-sea port and Lahad Datu's warehousing facilities are set to boost cross-border trade. As a Sabah-based company, Life Water is uniquely positioned to capture this demand, especially in island and rural communities where access to clean water remains essential.

In parallel we will continue leveraging synergies from Twinine for vast condiment distribution and cross-selling opportunities, while broadening our product portfolio with the Mandak range and further studies into mineral water with a focus on long-term sustainability of the groundwater source. Beyond capacity, we continue to explore other merger and acquisition ("**M&A**") opportunities in complementary and adjacent F&B categories, to strengthen our role as a diversified consumer goods player.

At the same time we remain committed to research and development, and our ESG priorities – from adopting Industry 4.0 smart manufacturing with automated energy- and water-saving systems, to reducing plastics through bottle light-weighting efforts and advancing circular economy initiatives.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to extend our gratitude and thanks especially to our shareholders for the confidence and unwavering belief in your investment throughout the IPO year and our post-listing journey. Special acknowledgement is given to our IPO advisors, particularly MBSB Investment Bank, whose award-winning contributions underscore our IPO's excellence.

Additionally, we tender this note of appreciation to our customers and business associates for your loyalty and partnership. Our note of appreciation also extends to all employees of Life Water for their commitment to shared success during our rapid capacity growth and market expansion efforts. We look forward to many more years of shared success and Borneo-centric expansion.

FYE 2025 has been a transformative year of steady growth, capacity expansion, and recognition on regional and international platforms. We look ahead to FYE 2026 with confidence, committed to sustainable growth, innovation, and creating long-term value for our shareholders and communities. Water may be transparent, but its path is never simple. Every phase of Life Water from source to bottle, shelf to hand - carries responsibility. FYE 2025 has laid a strong foundation and we move into FYE 2026 determined to grow not just in scale, but with integrity, sustainability, and impact.

Thank you.

Sincerely,

DATUK PETRUS GIMBAD
Independent Non-Executive Chairman, Life Water Berhad

MANAGEMENT DISCUSSION & ANALYSIS

ABOUT OUR BUSINESS

Making Quality Beverages Affordable for Everyone

Life Water Berhad and its group of companies ("**Life Water**" or "**the Group**") is principally engaged in the manufacturing and distribution of bottled drinking water and carbonated drinks. The Group's operations cover Sabah, Labuan, Brunei, and selected parts of Sarawak, supported by strategically located manufacturing facilities, an established distribution network, and an in-house logistics fleet and complemented by external logistic service providers.

Life Water remains the leading bottled water manufacturer in Sabah, with an 11% share of the Malaysian market. Our sales performance is anchored by our flagship brands *K2, Sasa, 2more and TRITONiC*, which have become household staples in the state. Over more than two decades, we have built consumer trust across both rural and urban communities.

Our operations span the full value chain, from sourcing and purification to bottling and distribution, catering to both retail consumers and institutional clients through a multi-channel strategy. Our water is sourced from public water supply and processed through advanced filtration and ozonation / ultraviolet (UV) treatment systems to ensure consistency and quality. The product portfolio covers a wide range of pack sizes, distributed through modern trade (supermarkets and hypermarkets), general trade (convenience and sundry shops), and institutional channels including offices, hotels, and event organisers.

The Group's core business is complemented by our plastic packaging operations, which include the manufacture of polyethylene terephthalate ("**PET**") preforms and bottles for our own beverage products. This vertically integrated business model enhances operational efficiency, ensures product quality, and reduces reliance on external suppliers.

In financial year ended 2025 ("**FYE 2025**"), we strengthened our production capabilities through investments in new machinery, the addition of a new manufacturing line in Sandakan, and the opening of a new facility in Keningau.

MANAGEMENT DISCUSSION & ANALYSIS

ABOUT OUR BUSINESS (CONT'D)

Life Water's Value Chain

Beverage product development and formulation

Plastic packaging production (preforms, cap and bottles)

Beverage bottling and packaging

Warehousing, logistics, and distribution

The Group operates four (4) beverage manufacturing plants and eight (8) warehouses. Our products are sold under multiple brand names, including *K2, Sasa, Sabah Water*, and 2more. During the year, we launched Lemony, a carbonated drink line with refreshed packaging designed to appeal to modern consumers. At the same time, we continued to produce various drinking water products that meet different consumer needs across various segments, including new packaging sizes such as 10-litre bottles.

In line with our vision to be a sustainable and innovative player in the fast-moving consumer goods ("**FMCG**") space, we continue to invest in product innovation, sustainable packaging, renewable energy, and digitalisation for logistics and operations.

Through these initiatives, we aim to solidify our position as a market leader in Sabah, while exploring opportunities to expand our presence in Sarawak and Brunei through appointed distributors.

OVERVIEW OF OPERATING ENVIRONMENT

The financial year in review was shaped by a dynamic economic landscape marked by post-pandemic recovery momentum, elevated inflationary pressures, and shifting consumer behaviour.

The Malaysian manufacturing sector reached a sales value of RM1.9 trillion in 2024[1], representing an increase of 4.6% year-on-year. The sector's performance was driven by the food, beverages and tobacco sub-sector. Private consumption remained the key growth driver, supported by government subsidies, wage recovery, and the easing of pandemic-related restrictions.

However, operating costs across the FMCG and food and beverage (F&B) sectors rose due to higher logistics, packaging materials, and electricity tariffs. The Malaysia Bottled Water Manufacturers' Association also noted a rising trend in consumer demand for smaller, portable pack sizes and eco-friendly packaging — trends we are actively addressing through packaging innovation and product design.

OVERVIEW OF BUSINESS AND STRATEGIC DIRECTION

Since the initial public offering ("**IPO**") on the Main Market of Bursa Malaysia Securities Berhad in November 2024, Life Water has made significant strides in expanding its operational capacity, product offerings, and market reach. In FYE 2025, the Group strengthened its core beverage manufacturing business while laying the foundation for diversification into complementary food products through the acquisition of Twinine Sdn Bhd, which was completed in July 2025.

[1] *Department of Statistics Malaysia (DOSM), Monthly Manufacturing Statistics Malaysia, Dec 2024*

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF BUSINESS AND STRATEGIC DIRECTION (CONT'D)

The commissioning of the new manufacturing plant in Keningau and an additional drinking water production line at Sandakan Sibuga Plant 1 marked important milestones in our expansion roadmap. With the new line, Sandakan Sibuga Plant 1's annual capacity increased to 178 million litres, bringing the Group's total annual capacity to 626 million litres. Including the Keningau plant and the planned purchase of a line for Sandakan Sibuga Plant 2 (see IPO Proceeds), the Group targets a total production capacity of 804 million litres by FYE 2027.

We will also enhance our operational efficiency with the installation of an additional self-consumption solar photovoltaic (SELCO) system, currently in progress, and have begun establishing our first distribution centre in Tawau.

We continued to innovate to drive our brand presence with the launching of a new beverage line, *Lemony*, complemented by branding campaigns and corporate social responsibility (CSR) outreach under the *Air Ku Hidup Ku* programme, bottle recycling programme and blood donation programme. These achievements reflect our strategy to evolve from a pure beverage producer to a diversified FMCG player focused on sustainability, community engagement, and long-term value creation.

The IPO raised gross proceeds of RM63.42 million. As of 30 June 2025, RM30.85 has been utilised with the remainder earmarked for future capital expenditure and expansion. Key areas of utilisation include the purchase of PET preform injection moulding machines, manufacturing line upgrades, and working capital needs.

Details of utilisation	Estimated Timeframe for the utilisation upon listing	Proposed Utilisation	Actual Utilisation	Balance Unutilised
		RM'000	RM'000	RM'000
Purchase PET preform injection moulding machine	Within 2 months	5,000	5,000	-
Set-up additional drinking water manufacturing line for Sandakan Sibuga Plant 1	Within 9 months	19,000	15,643	3,357
Set up an automated warehouse racking system in KK IZ8 Plant 1	Within 14 months	4,606	-	4,606
Purchase of drinking water manufacturing line for Sandakan Sibuga Plant 2	Within 32 months	12,000	-	12,000
Set-up second distribution centre in Sandakan	Within 39 months	12,600	-	12,600
Working capital	Within 3 months	4,210	4,210	-
Estimated listing expenses	Within 3 months	6,000	6,000	-
Total		**63,416**	**30,853**	**32,563**

Major upcoming investments include:

- Automated racking systems at KK IZ8 Plant 1
- A new manufacturing line at Sandakan Sibuga Plant 2
- A second distribution centre in Sandakan

These investments are expected to further strengthen the Group's competitive edge and fulfil the growth targets outlined in our IPO roadmap.

MANAGEMENT DISCUSSION & ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE

Revenue
RM172.98 million
▲ 3.9% YoY

Profit After Tax (PAT)
RM30.02 million
▲ 6.8% YoY

	FYE 2025	FYE 2024	Variance	% Change
Revenue (RM'm)	172.98	166.53	6.45	3.9%
Gross Profit (RM'm)	80.58	80.02	0.56	0.7%
Gross Profit Margin (%)	46.58	48.05	1.47	-3.1%
Profit Before Tax (RM'm)	35.03	36.55	-1.52	-4.2%
Profit After Tax (RM'm)	30.02	28.12	1.90	6.8%
PAT Margin (%)	17.36	16.89	0.47	2.8%
Net Assets per Share (RM)	0.44	0.26	0.18	69.2%

For FYE 2025, Life Water achieved a revenue of RM172.98 million, an increase of 3.9% compared to RM166.53 million in FYE 2024. The improvement was mainly driven by higher sales of bottled drinking water, which contributed RM145.97 million or 84.4% of total revenue, while carbonated drinks contributed RM26.46 million or 15.3%. Other products, including fruit drinks and PET packaging, made up the remaining 0.3% of revenue.

Gross profit rose slightly by 0.7% to RM80.58 million, though the gross profit margin moderated to 46.6% (FYE 2024: 48.0%). The decline was primarily due to higher cost of sales following the implementation of the minimum wage policy, the cost of which could not be immediately passed on to customers. Additionally, the Group's rapid expansion and ongoing upgrading plans temporarily impacted operational efficiency, further contributing to the lower GP margin.

Profit before tax ("**PBT**") came in at RM35.03 million, slightly lower than RM36.55 million in FYE 2024. Excluding one-off IPO expenses of RM0.95 million, normalised PBT was RM35.98 million, a modest decline of 1.6%.

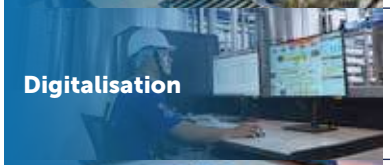
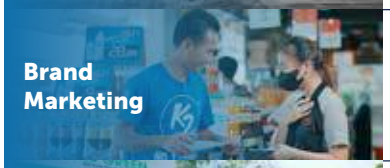
On the other hand, profit after tax ("**PAT**") rose by 6.8% to RM30.02 million (FYE 2024: RM28.12 million), supported by reinvestment allowance claims on capital expenditure for the new Keningau Plant and additional production lines in Sandakan. This enabled PAT margin to improve to 17.4% (FYE 2024: 16.9%), despite higher operating costs.

The Group's balance sheet strengthened significantly following the IPO, with total assets increasing to RM335.45 million as of 30 June 2025, compared to RM243.08 million a year earlier. Net assets per share improved to RM0.44 (FYE 2024: RM0.26). The Group remains in a healthy financial position, with a manageable gearing level and cash reserves of RM22.72 million, supplemented by RM73.09 million placed in short-term funds.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL REVIEW

Operational Highlights

Area	Key Highlights
Production Efficiency	• Increased drinking water annual production capacity by 60% to 626 million litres • Addition of two (2) new PET preform injection moulding machines.
 **Digitalisation**	• Implemented Overall Equipment Effectiveness (OEE) to monitor production output and overall efficiency. The system integrates with our ERP and sales portal for order and inventory management, incorporating predictive maintenance features to reduce downtime.
Distribution Expansion	• Increased number of delivery trucks to 90 units. With eight strategically located warehouses, including upcoming facilities in Tawau and Lahad Datu, the Group is well-positioned to ensure efficient and timely distribution across the region.
 **Brand Marketing**	• Soft launch of a new carbonated flavoured drink in selected markets, with a full-scale rollout planned in FYE 2026.
Sustainability	• Continued with our successful bottle collection and recycling programme, anti-litter campaign, and other community activities.

Core Business Segments

Our operations remain anchored in the manufacturing and distribution of bottled drinking water and carbonated drinks. Core operations posted stable growth, supported by resilient domestic demand and strong brand recognition in Sabah, Labuan, Brunei and part of Sarawak. The launch of Lemony and its updated packaging reflects our continued commitment to innovation and market responsiveness.

Our ancillary operations in plastic packaging remained stable, with the commissioning of two new PET preform injection moulding machines at KK IZ8 Plant 1 to support our in-house bottle production. This investment improved efficiency and reduced reliance on external suppliers.

Segment	FYE 2025 (RM'm)	FYE 2024 (RM'm)	Variance (RM'm)	% Change
Bottled Drinking Water	145.97	138.73	+7.24	+5.21%
Carbonated Drinks	26.46	27.38	-0.92	-3.36%
Other Products & Packaging	0.55	0.42	+0.13	+30.95%

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL REVIEW (CONT'D)

Core Business Segments (Cont'd)

Bottled Drinking Water

The bottled drinking water segment remained the Group's largest revenue contributor in FYE 2025, accounting for RM145.97 million or 84.4% of total revenue (FYE 2024: RM138.73 million or 83.3%). Growth of +5.2% year-on-year was supported by resilient consumer demand, coupled with enhanced distribution coverage following the commissioning of the Keningau plant and the upgrading of KK IZ4 blowing machine.

Outlook: Bottled water is expected to remain the core growth driver, supported by population growth, rising health consciousness, and the Group's expanded production capacity.

Carbonated Drinks

Carbonated drinks contributed RM26.46 million or 15.3% of revenue (FYE 2024: RM27.38 million or 16.5%), reflecting a decrease of 3.4% year-on-year. The rising ingredient prices slightly compressed segment margins. We will continue to invest in innovation and marketing to strengthen market penetration and expand consumer preference in this category. The Group will continue to invest in product innovation and targeted marketing to expand consumer preference in this category.

Outlook: We anticipate steady growth with the strengthening of the *Lemony* brand and targeted campaigns.

Other Products and Packaging

Revenue from other products, including fruit drinks and plastic containers, stood at RM0.55 million or 0.3% of total revenue (FYE 2024: RM0.42 million or 0.2%). The slight increase was mainly due to higher sales of fruit drinks which were partially offset by declines in external sales of plastic containers. With the commissioning of two new PET preform injection machines at the KK IZ8 Plant 1, the Group expects to improve efficiency and reduce reliance on external suppliers while exploring opportunities to grow third-party packaging sales.

Outlook: This segment is positioned to enhance self-sufficiency while exploring external revenue options.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL REVIEW (CONT'D)

Expansion and Diversification

We successfully opened our Keningau plant and commissioned a new drinking water line at Sandakan. The Group also initiated upgrades at the KK IZ4 Plant and improved regional logistics capabilities through the establishment of a new warehouse (KK IZ2 Warehouse).

Diversification was a key theme in FYE 2025. The acquisition of Twinine Sdn Bhd, a growing manufacturer of sauces and seasonings, represents a strategic move into the food segment. This will allow Life Water to tap into rising demand in the wellness and condiments market while reducing dependency on bottled beverages.

CHALLENGES AND RISK FACTORS

FYE 2025 saw operational challenges, particularly around increased labour costs due to minimum wage revisions, and disruptions in global shipping which impacted delivery schedules and inventory levels. To mitigate such risks, the Group adopted proactive procurement strategies and strengthened supplier partnerships. Preventive maintenance scheduling was intensified to minimise equipment downtime, and our logistics and distribution network in East Malaysia remained stable and efficient.

Business Risk and Mitigation

Effective risk management is a critical component of the Group's governance framework and strategic planning process. As a FMCG company operating in a competitive and regulated landscape, we are exposed to a broad spectrum of risks — ranging from raw material volatility and operational disruptions to evolving regulatory and environmental expectations.

Our risk management approach is designed to identify, evaluate, and respond to potential threats in a timely and structured manner. Risks are assessed based on their likelihood and potential impact, with corresponding mitigation strategies developed and monitored across all business functions. This process is overseen by the Board of Directors, supported by internal controls and a risk management function that ensures alignment with our operational objectives and long-term strategic goals.

The table below highlights the principal risks identified during the financial year under review, along with the proactive steps we have taken to manage or mitigate their effects.

Key Risk	Mitigation Measures
Volatility in PET resin prices	Forward contracts, foreign currency hedging and cost pass-through mechanisms
Logistics and fuel cost fluctuations	Route optimisation and fleet and fuel management system
Water resource sustainability	Alternative sourcing (underground, rainwater, recycling), improved storage systems, water-efficient technologies, and install of totalizer system to further enhance the monitoring and optimisation of recycle water
Labour shortages	Upskilling programmes and automation
Regulatory changes	Close compliance monitoring and proactive engagement with authorities

SUSTAINABILITY AND GOVERNANCE

Sustainability remains at the heart of Life Water's long-term value creation strategy. In FYE 2025, we took concrete steps to align our operations with environmental, social, and governance ("**ESG**") principles, reflecting both stakeholder expectations and our commitment to responsible growth.

On the environmental front, we made progress in reducing our operational footprint. The bottle collection and recycling programme was expanded through hotel partnerships, encouraging responsible consumption and supporting circular economy practices.

MANAGEMENT DISCUSSION & ANALYSIS

SUSTAINABILITY AND GOVERNANCE (CONT'D)

In terms of social responsibility, we continued to invest in the health and safety of our workforce. Zero fatalities were recorded, supported by training sessions on food safety, workplace hygiene, and emergency preparedness. Employee well-being remained a priority, with ongoing efforts to enhance working conditions and provide career development opportunities across all levels.

Governance practices were strengthened following our listing, with the introduction of a whistleblower policy and board training on sustainability oversight. These measures are part of our roadmap toward aligning with Bursa Malaysia's enhanced sustainability disclosure requirements. These initiatives enhance alignment with Bursa Malaysia's enhanced sustainability disclosure requirements.

Looking ahead, we aim to establish baseline measurements for our greenhouse gas (GHG) emissions and develop a structured sustainability roadmap to guide our medium- to long-term efforts.

More information on our sustainability initiatives is available in the Sustainability Statement section of this Report, on pages 40 to 61.

OUTLOOK AND STRATEGY

Life Water concluded FYE 2025 on a stronger operational footing, supported by the commissioning of a new drinking water line at Sandakan Sibuga Plant 1 and the completion of the Keningau Plant. With these enhancements, the Group's drinking water annual production capacity has increased significantly to 626 million litres, positioning it to meet rising demand across East Malaysia, underpinned by demographic growth, rising consumer spending, and the continued recovery in tourism.

To support expanding operations, the Group strengthened its logistics capacity, increasing its delivery fleet to 90 trucks and enhancing warehousing capabilities with eight strategically located facilities, including upcoming distribution centres in Tawau and Lahad Datu. These initiatives reinforce timely, efficient distribution across urban and rural markets, strengthening Life Water's competitive edge in its home market.

As part of product diversification, the Group soft-launched a new carbonated flavoured drink in selected markets, with a full-scale rollout expected in the next financial year. At the same time, integration of Twinine, a Sabah-based sauces and condiments producer, is progressing well. Productivity will be increased by extending Twinine facility operations to 1.5 shifts per day, supporting stronger contributions from this segment in FYE 2026.

On the upstream side, the installation of PET preform injection moulding machines at the KK IZ8 Plant 1 remains on track. These machines will improve self-sufficiency in packaging, reduce reliance on third-party suppliers, and enhance cost efficiency, thereby contributing positively to segment margins.

We expect FYE 2026 to offer both opportunities and challenges. While the bottled water segment remains a staple in Malaysian households, competition is intensifying with the entry of new private labels and rising consumer expectations for sustainability.

Our strategy is as follows:

- Sustain Growth through Channel Expansion: Grow our footprint in Sabah and appointing distributors for Sarawak & Brunei.
- Operational Excellence: Continued investment in production technology and supply chain resilience to drive cost optimisation.
- Brand and Sustainability Leadership: Deepen customer loyalty through purpose-driven campaigns, plastic reduction efforts, community engagement, and product innovations.
- Transparency and ESG: Enhance reporting of ESG metrics, including GHG baselines and recycling performance, to strengthen credibility with regulators and investors.

Looking forward, the Group remains mindful of challenges such as rising labour and logistics costs, as well as volatility in raw material prices. Nevertheless, Life Water will continue to drive efficiencies, optimise pricing strategies, and invest in innovation to meet evolving consumer preferences for healthier beverages and eco-friendly packaging. Backed by strong fundamentals, expanded production scale, and an increasingly diversified product portfolio, the Board remains optimistic that the Group is well-positioned to sustain growth and deliver long-term shareholder value.

SUSTAINABILITY STATEMENT

“Refreshing growth, sustaining futures”

- *A recycling campaign jointly-organised by MPMA Sabah Branch, FMM Sabah Branch and Life Water aimed at raising awareness on plastic recycling, held in conjunction with the Borneo International Marathon 2019.*
- *Raising awareness on anti-littering - Life Water Sandakan and Kota Kinabalu teams held regular Pickathons, cleaning the streets.*

SUSTAINABILITY STATEMENT

- *An upcycled Lantern Float built with 1888 bottles by Life Water team. The intricate piece won the overall champion during the 2019 Gaya Street Mid-Autumn Lantern Competition.*

At Life Water Berhad and its group of companies ("**Life Water**" or "**the Group**"), sustainability is more than a compliance requirement — it is a guiding principle in how we operate and grow. As a company whose business is intrinsically linked to natural resources, particularly water, we recognise our responsibility to safeguard the environment while delivering safe and quality products to our customers. We are committed to reducing our environmental footprint, embedding responsible practices across our value chain, and creating long-term positive impact for the communities we serve. Our sustainability journey is guided by the belief that business success and ESG stewardship go hand in hand, ensuring Life Water thrives in ways that benefit both people and the planet.

- *Life Water adopted 20 Sea Turtle Nests as part of its conversation efforts in conjunction with its 20th Anniversary.*

SCOPE AND BOUNDARIES

This Sustainability Statement ("**Statement**") covers the operations of Life Water Berhad and its principal subsidiaries engaged in the manufacturing and distribution of packaged beverages throughout Sabah, Labuan, Brunei and parts of Sarawak. The data and disclosures provided in this Statement focus on the Group's beverage manufacturing facilities and associated distribution activities for the financial period of 30 June 2024 and 30 June 2025 ("**FYE 2025**").

At this stage, the coverage excludes the operations of Twinine Sdn Bhd, which was recently acquired and is currently in the process of aligning its sustainability reporting systems with the Group. Twinine will be incorporated into the Group's sustainability disclosures from FYE 2026 onwards once sufficient and reliable data becomes available. Inclusion of Twinine's data in future disclosures may affect FYE 2025 baseline figures.

The reporting boundaries cover:

- Environmental Performance: Water use, energy consumption, GHG emissions (Scope 1 & 2), packaging, and waste generated from beverage operations.
- Social Performance: Workforce, occupational health and safety, diversity, training, and employee wellbeing.
- Economic Performance: Local procurement, job creation, and community investments.
- Governance and Risk: Sustainability governance structure, stakeholder engagement, materiality, and risk management.

This Statement has been prepared with reference to the Global Reporting Initiative (GRI) Standards, IFRS Sustainability Disclosure Standards (S1 and S2), and in adherence to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition).

As a newly listed entity in the process of integrating the operations of its recently acquired business, information is provided where available. Future reports will expand the scope and depth of disclosures as processes mature and data quality improves.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

The Board of Directors provides strategic oversight of Life Water's sustainability agenda and is ultimately accountable for the integration of sustainability into the Group's operations and long-term strategy. To support the Board, Senior Management ensures that sustainability initiatives are executed effectively across all business functions.

In August 2024, the Board formally approved the Sustainability Policy, underscoring its commitment to aligning the Group with global standards such as the GRI Standards and IFRS S1 and S2. The Group is currently in the process of drafting a Sustainability Roadmap that sets short-, medium-, and long-term goals for water management, energy efficiency, packaging sustainability, and a net-zero carbon pathway. These crucial initial steps reflect Life Water's commitment to tackling climate change and aligning with national Net Zero 2050 target.

At present, sustainability and ESG initiatives are overseen directly by the Board. This ensures that ESG considerations are embedded at the highest decision-making level and aligned with the Group's overall strategic direction. The Board reviews and provides guidance on key sustainability initiatives, such as energy efficiency projects, packaging and recycling efforts, and community engagement programmes. The Group's Audit and Risk Management Committee (ARMC) supports the Board's role, monitoring sustainability-related risks within the Enterprise Risk Management Framework. Moving forward, Life Water intends to formalise a Sustainability Committee, chaired by a Board Member, to provide dedicated oversight and monitor progress against ESG targets.

Plastic Trash To Treasures - A Spectacular Showcase of Upcycled Chic Fashion

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY JOURNEY: THE FOUNDATION

1ST RPET Bottled Water Manufacturer (Malaysia Book of Records)	**4,689 kg** Post-consumer PET bottles collected	**533,762 kWh** Solar Panel PV	**38%** Woman Directors
Readiness In Smart Manufacturing **IR 4.0 AWARD**	**86%** Waste Recycling Rate	**100%** Recyclable Packaging	**55%** Woman Management & Executive
0% Corruption case	**4** Manufacturing Plants; **8** Warehouses	**90** Delivery Fleets	**99%** Local Employee
0% Fatality	**4,751** Training Hours	**RM607,461** CSR 975 activities	**92%** Local Suppliers

While the Group has not yet developed a formal Sustainability Roadmap, we have set clear targets under three broad strategic pillars that guide our approach. These pillars — Better for the Environment, Better for the People, and Better for the Consumer — reflect our commitment to producing safe and affordable beverages in a way that supports long-term value creation.

Our focus is on minimising environmental impact through greater efficiency and renewable energy, creating positive opportunities for employees and local communities, and building consumer trust through high-quality products and responsible practices. These pillars serve as the foundation for our sustainability journey, which will be progressively strengthened and formalised.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY JOURNEY: THE FOUNDATION (CONT'D)

Better for the Environment	Better for the People	Better for the Consumer
Focus		
Water stewardship, carbon emission reduction, sustainable packaging	Employee welfare, community engagement, staff training, workplace safety	Customer trust, product transparency, ethical marketing
• Reduce water usage per cubic litre of beverage product • Reduce carbon emission per cubic litre of beverage product • Reduce electricity consumption per cubic litre of beverage product • Increase the use of recycled PET in packaging • Eliminate landfill waste by 2030	• Zero fatalities and rights violations • Community projects for education, community well-being, sport sponsorship and blood donation • Continuous training and upskilling • Promote an inclusive workplace	• Transparent labelling and ethical marketing • Ensure product safety and hygiene • Implement education and awareness campaigns
Action Plan		
• Energy: Solar photovoltaic installations and improved lighting systems • Packaging: Progressively increase the content of recycled PET in packaging • Continuing to expand PET bottle recycling and collection programmes to divert waste from landfills	• Continuous training and hazard prevention programmes • Employee development on technical skills, leadership, and sustainability • Strengthening diversity and inclusion, aiming to increase female representation in leadership roles	• Engage and empower consumers to make sustainable choices • Reinforcing transparency and ethical marketing

Governance and Continuous Improvement

Zero tolerance for corruption and misconduct	Strengthen whistleblower protection	Safeguard stakeholder data	Annual sustainability reporting

VISION

To sustainably produce pure water and affordable beverages that meet the highest standards of quality and environmental responsibility.

MISSION

To embed sustainability throughout our value chain — from water sourcing to packaging, production, and consumer engagement — in line with global best practices.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY JOURNEY: THE FOUNDATION (CONT'D)

We have established FYE 2025 as the baseline year for measuring our KPIs and targets. Our short-, medium- and long-term targets will be integrated into our Roadmap.

Short-term (2025 – 2027)

- Increase the use of recycled PET in packaging
- Reduce water usage by 2% per m^3 of beverage produced
- Reduce electricity usage by 2% per m^3 of beverage produced
- Reduce carbon emissions by 2% per m^3 of beverage produced

Medium-term (2027 – 2030)

- Transition to 100% recyclable packaging and divert all waste from landfills
- Reduce water usage by 5% per m^3 of beverage produced
- Reduce electricity usage by 5% per m^3 of beverage produced
- Reduce carbon emissions by 5% per m^3 of beverage produced
- Increase renewable energy production by 10% of total energy consumed

Long-term (by 2050)

- Achieve net-zero carbon emissions

We have developed a climate transition plan to achieve the targets, incorporating:

- Scope 1 and 2 emissions tracking
- Solar energy deployment
- Climate scenario analysis under both 2°C and 4°C pathways

The Group plans to begin tracking Scope 3 emissions in the coming financial years, progressively integrating the data into our climate transition plan.

STAKEHOLDER ENGAGEMENT

Engagement with stakeholders is at the core of our sustainability strategy, as their perspectives and concerns guide our priorities and actions. We recognise that our ability to create long-term value depends not only on financial performance but also on building trust and maintaining strong relationships with those who are directly or indirectly impacted by our operations. Regular, transparent engagement helps us identify material issues, respond to expectations, and balance growth with environmental and social responsibility.

We maintain open, structured communication with customers, employees, suppliers, regulators, communities, and NGOs to ensure that their voices inform our sustainability roadmap and operational strategy. This approach mitigates risks, drives innovation, and strengthens our licence to operate in local communities.

Feedback from stakeholders is not only acknowledged but actively incorporated into our sustainability roadmap and targets. For example, customer concerns about plastic usage led to the introduction of recycled PET bottles and lightweight packaging. Community engagement has resulted in targeted disaster relief efforts, while supplier and regulator engagement has driven stronger compliance and sustainability clauses in procurement contracts. This inclusive process ensures that our ESG initiatives remain relevant, measurable, and responsive to the needs of those we serve. These linkages demonstrate how stakeholder engagement directly shapes Life Water's ESG priorities.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder	Engagement Method	Key Concerns	Our Response
Customers	Surveys as and when required, hotline	Plastic use, product quality	Introduced recycled PET bottles and lightweight packaging
Employees	Daily briefings, annual appraisal	Safety, pay, training	Wellbeing initiatives, >4,700 training hours
Suppliers	Annual evaluation	Compliance, payment terms	Sustainability clauses in procurement
Regulators	Regular reporting	Licensing, water quality	Maintained 100% compliance through water sampling and testing at our laboratory
Communities	CSR visits, dialogues based on annual plan	Water access, plastic litter	*Air Ku Hidup Ku* campaign in government schools to enhance environmental awareness and distribute free samples of drinking water
NGOs/ Industry	Partnerships, based on annual plan	Recycling, education	*K2 Goes Green* programme with designated recycling bins, collected 4,689 kg PET bottles. Expanded PET bottle collection in Sabah with community and business participation.

Material Sustainability Matters

Life Water's sustainability efforts are guided by the most material ESG issues that impact our business and matter to our stakeholders. Identifying these material topics ensures that our strategy, disclosures, and initiatives are focused, relevant, and aligned with stakeholder expectations and Bursa Malaysia's Sustainability Reporting Guide.

In FYE 2025, with the guidance of an external consultant, the Group undertook its first formal materiality assessment, marking a significant step in aligning our sustainability reporting with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), the Global Reporting Initiative (GRI) Standards, and the IFRS Sustainability Disclosure Standards (S1 and S2).

The assessment was conducted through structured engagement with key stakeholder groups, including customers, employees, suppliers, regulators, communities, and industry associations. Stakeholders were asked to prioritise a list of sustainability topics based on their importance to them and to Life Water's business. The results were validated by Senior Management and reviewed by the Board. Materiality will be reassessed regularly to reflect changing stakeholder expectations, regulations, and business priorities.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

The following matters have been identified as material to Life Water's operations:

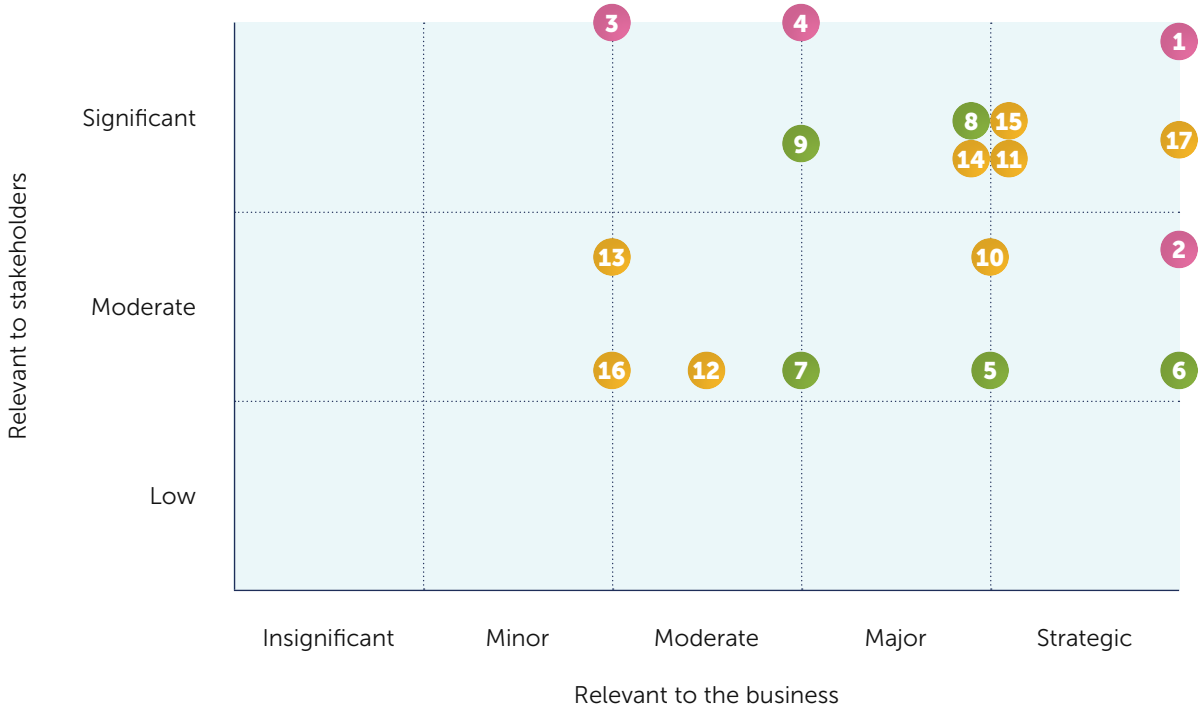
Pillar	Material Matters	Why It Matters
Environmental	Water Management	Water is our most critical input; efficiency is vital for resilience and community trust
	Packaging & Waste	PET bottles face regulatory and consumer scrutiny; focus on recyclability and recycled PET
	GHG Emissions & Energy Efficiency	Climate regulations and rising energy costs require proactive management
Social	Product Quality & Safety	Ensures compliance, protects reputation, and safeguards customer health
	Employee Wellbeing & Occupational Safety	Retains talent, promotes productivity, and prevents workplace incidents
	Community Engagement	Builds strong community relationships, supports local development, and enhances social licence to operate through responsible water stewardship, waste management, and local empowerment initiatives
Governance	Supply Chain Sustainability	Ensures suppliers meet ethical, environmental, and labour standards
	Diversity, Equity & Inclusion	Promotes fair opportunity, gender diversity, and compliance with stakeholder expectations

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT (CONT'D)

Material Sustainability Matters (Cont'd)

A materiality matrix for FYE 2025 maps these issues against their significance to stakeholders and their impact on the Group's business:



Economic	Environment	Social
1. Economic Performance 2. Supply Chain Management 3. Anti-Corruption 4. Regulatory Compliance	5. Energy 6. Water and Effluents 7. Emissions 8. Waste 9. Material	10. Employment 11. Occupational Health and Safety 12. Training and Education 13. Diversity and equal opportunities 14. Local communities 15. Product Quality and Safety 16. Data Privacy and Security 17. Marketing and Labelling

SUSTAINABILITY STATEMENT

ECONOMIC SUSTAINABILITY

At Life Water, we believe that strong economic performance must go hand in hand with responsible business practices and positive community impact. We are committed to delivering sustainable growth that creates value not only for our shareholders but also for our employees, suppliers, customers, and the communities we serve.

Local Economic Contribution

In FYE 2025, the Group employed 284 people, with the majority drawn from local communities in Sabah (99%). Local hiring supports regional economies and provides stable employment where manufacturing jobs are vital to livelihoods.

Total Economic Value Generated	**RM172.98 million**

Economic Value Distributed	
Operating costs (materials, overheads, selling & distribution, administration)	**RM114.66 million**
Employee wages & benefits	**RM23.12 million**
Payments to government (tax)	**RM5.00 million**
Total Economic Value Distributed	**RM142.78 million**

Our procurement practices also emphasise local contribution. In FYE 2025, 92% of our suppliers were local, supporting Malaysian suppliers and reducing the carbon footprint associated with long-distance logistics. For imported materials that cannot be sourced locally, we engage with suppliers who meet our procurement standards.

Value Creation Across the Supply Chain

The Group recognises that our success is closely linked to the resilience of our supply chain. In FYE 2025, we conducted sustainability assessments with 100% of our raw materials suppliers, focusing on compliance with labour, environmental, and quality standards. This aligns our value chain with the same principles of responsibility and integrity that guide Life Water.

We also continued our collaboration with our customers to improve product availability, affordability, and delivery efficiency, strengthening our market position while supporting small retailers and local entrepreneurs.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL

As a beverage manufacturer, Life Water's operations are closely linked to natural resources. We recognise the urgent need to address climate-related risks while reducing our environmental footprint across our value chain.

Energy and Emissions

The Group's production operations include energy-intensive processes such as water treatment, bottle manufacturing, chilling and pasteurisation, high-speed bottling lines, compressed air systems, lighting and HVAC (heating, ventilation, and air conditioning).

Metric	FYE 2024	FYE 2025	% Change
Purchased electricity consumed (kWh)	18,245,775	19,623,957	7.55%
Solar energy generated (kWh) *Percentage of total electricity consumed*	506,363 *2.78%*	533,762 *2.72%*	5.41% *-0.06%*
Total energy (kWh)	18,752,138	20,157,719	7.50%
Production output (m^3)	280,267	299,117	6.73%
Energy intensity (kWh/m^3)	66.91	67.39	0.72%

In FYE 2025, total electricity use rose by 7.55% to 19.62 million kWh, reflecting higher production activity. Solar generation increased by 5.41%, though its share in the overall mix declined slightly due to stronger energy demand. Overall energy consumption grew by 7.50% to 20.16 million kWh, in line with the 6.73% increase in production output. Energy intensity rose marginally by 0.72%, mainly due to expansion and plant upgrades that temporarily affected efficiency.

We remain committed to expanding renewable energy capacity, with the objective of achieving 10% solar contribution by FYE 2030. A significant step in this direction is Phase 2 of the KK IZ8 Plant 1 solar PV system which is scheduled to commence operations by end of 2025. It is expected to generate 328,000 kWh to the overall energy mix in FYE 2026.

The Group has established FYE 2025 as the baseline year for measuring the progress of our emissions reduction initiatives.

Key initiatives implemented in FYE 2025 to mitigate reliance on non-renewable energy sources included:

- Retrofitting lighting systems with motion detection
- Replacing induction lights and fluorescent tubes with energy-saving LED alternatives
- Installing solar-powered outdoor lighting
- Route optimisation for logistics to reduce fuel consumption

SUSTAINABILITY STATEMENT

ENVIRONMENTAL (CONT'D)

Energy and Emissions (Cont'd)

The Group recognises the strategic importance of managing Scope 3 emissions and is in the process of developing systems to capture upstream and downstream impacts, particularly from packaging and logistics.

Our medium-term target is to achieve an annual 5% reduction in combined Scope 1 and Scope 2 emissions from the FYE 2025 baseline. The long-term ambition is to align with global decarbonisation pathways and achieve net-zero emissions by 2050.

For this edition of the Sustainability Statement, the Group is reporting Scope 1 and Scope 2 emissions.

Scope 1 (Direct Emissions)

	FYE 2024 (tCO^2e)	FYE 2025 (tCO^2e)	Variance
Transport vehicles	2,431	2,646	8.84%
Warehouse forklifts	311	317	1.93%
TOTAL	**2,742**	**2,963**	**8.06%**
Carbon intensity (per m^3 of beverage produced)	0.0098	0.0099	1.02%

The Group continues to monitor its Scope 1 profile and is considering the inclusion of fugitive emissions in its reporting framework from FYE 2026 onwards.

Scope 2 (Indirect Emissions – Purchased Energy)

	FYE 2024 (tCO^2e)	FYE 2025 (tCO^2e)	Variance
Purchased electricity (tCO^2e)	9,579	10,303	7.55%
Renewable energy generated and offset (tCO^2e)	266	280	5.26%
Carbon intensity (per m^3 of beverage produced)	0.0332	0.0335	0.90%

SUSTAINABILITY STATEMENT

ENVIRONMENTAL (CONT'D)

Water Stewardship

	FYE 2024 (m^3)	FYE 2025 (m^3)	Variance
Water consumption	569,496	586,821	3.04%
Production output	280,267	299,117	6.73%
Water consumption per m^3 of beverage produced	2.03	1.96	-3.45%

Water is the foundation of our business and is sourced primarily from municipal supplies. In FYE 2025, the Group consumed 586,821 m^3 of water compared to 569,496 m^3 in FYE 2024, an increase of 3.04%. Over the same period, product output grew by 6.73%, which enabled us to improve overall efficiency: water consumption per cubic metre of beverage produced fell from 2.03 to 1.96, representing a 3.45% improvement.

Through continuous efforts in water monitoring and reclamation system. The Group has achieved improvement in reducing the amount of water required per unit of production.

Moving forward, the Group is exploring the use of strengthening our commitment to sustainable water stewardship.

As water is a shared resource, the Group recognises the importance of managing it responsibly and ensuring that our operations do not compromise local water supplies.

We also expanded our outreach through the *Air Ku Hidup Ku* campaign, which was granted approval by Sabah's Department of Education to be rolled out across government schools. The programme educates students on the importance of clean drinking water and promotes environmental awareness through recycling and upcycling of PET bottles. In FYE 2025, we successfully delivered 20 school campaigns, reaching a wider audience of young people and embedding sustainable water practices in the next generation.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL (CONT'D)

Waste and Packaging

Packaging remains one of our most material environmental issues. The Group continuously looks for ways to reduce the use of plastic through innovative designs that are both visually appealing and more environmentally friendly. We pair this initiative with community-focused projects that spread awareness and inculcate the habit of recycling.

Waste Management	Unit	FYE 2024	FYE 2025
Total waste generated	Metric tonnes	**230.66**	**190.32**
(i) Total waste diverted from disposal	Metric tonnes	187.62	163.14
(ii) Total waste directed to disposal	Metric tonnes	43.04	27.18
% of recycled waste generated		81%	86%

Despite a decrease in total waste in FYE 2025, primarily due to efficiency improvements and optimised production processes, we remain committed to sustainable waste management. Our efforts have resulted in a greater proportion of waste being diverted from disposal, achieving an 86% recycling rate, an improvement from 81% in FYE 2024.

We uphold stringent standards in waste management to minimise environmental impact, ensuring full compliance with key regulatory requirements.

In FYE 2025, we:

- Collected 4,689 kilograms of PET bottles under the K2 Goes Green Programme. The Group collects bottles from schools and hotels, and other sponsors.
- Introduced bottles made with 100% recycled PET (RPET) and reduced plastic content by 49.81% in 500ml bottles, and 43.78% in 1500ml bottles.

We are exploring the use of bio-based caps and improved collection schemes to further strengthen our circular economy efforts.

Beyond packaging, we are embedding sustainability into our wider operations to conserve electricity and increase our production efficiency. Solar rooftop systems are being installed at our facilities to lower carbon emissions and reduce our reliance on non-renewable energy. At our KK IZ8 Plant 1, we enforce Operation Clean Sweep ("**OCS**") – led by the Malaysian Plastics Manufacturers Association, to prevent plastic pellet leakage into waterways, underscoring our commitment to mitigating pollution.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL (CONT'D)

Climate Risks and Opportunities (IFRS S2 Alignment)

Climate change presents both risks and opportunities for the Group. In line with the recommendations of IFRS S2 and Bursa Malaysia's Sustainability Reporting requirements, the Group has undertaken preliminary climate scenario analysis to evaluate the resilience of its operations and value chain. By integrating scenario analysis into our risk management framework, the Group aims to ensure long-term operational resilience and protect stakeholder value.

We have begun assessing climate scenarios under 2°C and 4°C pathways to evaluate the resilience of our operations and supply chain. Measures such as expanding solar capacity, diversifying water sources to include rainwater, and strengthening supplier sustainability standards are part of our adaptation strategy.

Scenario	Key Risks	Key Opportunities
2°C Pathway (Paris-aligned)	• Moderate physical risks (water stress, flooding) • Tighter carbon pricing and regulatory compliance • Moderate supply chain disruptions	• Cost savings from solar and renewable energy • Stronger brand reputation via sustainable packaging • Community goodwill through clean water initiatives
4°C Pathway (Business-as-usual)	• Severe physical risks (acute water scarcity, extreme floods) • High regulatory and transition costs • Significant supply chain vulnerability	• Business model resilience from product diversification • Stronger adaptation strategies (rainwater harvesting, water efficiency) • Improved supplier standards and resilience

Methodology

- Stress Testing: We apply stress tests to key operational inputs (e.g., water availability, energy costs, logistics disruptions) to model the financial and operational impacts under different climate conditions.
- Cost Modelling: Using both internal data and external benchmarks, we model potential increases in operating costs under different trajectories.
- Sensitivity Analysis: We test the sensitivity of our margins to raw material and energy price volatility under high-temperature scenarios that could disrupt supply chains in Sabah.
- Time Horizons: Risks and opportunities are assessed across short-term (1–3 years), medium-term (3–10 years), and long-term (10+ years) horizons, reflecting both immediate operational pressures and strategic adaptation needs.

Adaptation and Risk Mitigation Measures

- Renewables: Expansion of solar capacity across production facilities to reduce Scope 2 emissions.
- Water Stewardship: Diversification of water sources, including exploring rainwater harvesting and improved groundwater monitoring.
- Supply Chain Standards: Strengthening supplier sustainability requirements to reduce exposure to upstream climate risks.
- Business Diversification: Entry into food sauces and condiments provides resilience against sector-specific risks in beverages.

SUSTAINABILITY STATEMENT

SOCIAL

We recognise that our success is built not only on the quality of our products but also on the wellbeing of the people and communities who make up and surround our business. As a major employer in Sabah, we are committed to creating a safe, fair, and inclusive workplace, while contributing meaningfully to the communities we serve.

Our focus extends from ensuring employee health, safety, and professional growth, to promoting diversity and inclusion, and strengthening community resilience through initiatives that improve access to clean water, reduce plastic waste, and support local livelihoods. By prioritising people, we build long-term trust, strengthen our social licence to operate, and align with Malaysia's inclusive development goals.

Workplace and Occupational Health & Safety (OHSA)

In FYE 2025, Life Water employed 284 staff at our manufacturing facilities, with a gender composition of 81% male and 19% female. We uphold fair labour practices, with anti-discrimination protections and a whistleblower channel.

Health and safety remain a top priority. The Group recorded a Lost Time Injury Frequency Rate (LTIFR) of 9.15 in FYE 2025 (FYE 2024:7.65).

Initiatives included personal protection equipment training, fire drills, and a whistleblowing channel to protect employee rights. We logged more than 4,700 training hours, and allocated RM60,517 to employee wellbeing.

No OHSA non-compliance cases were recorded in FYE 2025, reflecting the effectiveness of training and preventive measures.

Hands On Training on Fire Safety led by BOMBA

First Aid Training Session

Diversity, Equity and Inclusion

We are committed to fostering diversity, equity, and inclusion. We maintain zero tolerance for discrimination and promote inclusive hiring policies. Women make up 25% of our workforce of 627 people, and as of FYE 2025, women represent 37.5% of our Board of Directors, or three (3) of eight (8) Board members. Strong female representation in key leadership positions extends to our Key Senior Management team, where women make up 60% (three of five) members.

Training and Development

We recognise that investing in our people is key to sustaining long-term growth and competitiveness. Training and development are not only about enhancing skills and productivity but also about empowering our employees to grow with the organisation and contribute meaningfully to our sustainability goals.

In FYE 2025, we allocated RM118,960 for training and development (FYE 2024: RM52,557), which was supplemented by support from industry grants. We plan to gradually scale up the training budget in line with business growth and evolving talent needs. In FYE 2025, Life Water staff from all levels logged a total of 4,751 training hours, an increase of 28% from 3,725 hours in FYE 2024.

SUSTAINABILITY STATEMENT

SOCIAL (CONT'D)

Community Engagement

Life Water remained committed to strengthening its relationship with local communities in FYE 2025, carrying out 975 activities valued at RM607,461. These initiatives spanned education, health, environmental awareness, and disaster relief, reflecting our role as both a business and a community partner.

Life Water Berhad actively participated in the Tree Planting, organised by UMS in conjunction with the 20th Borneo 7's Tree Planting Ceremony and Sambutan Hari Hutan Antarabangsa. The event took place at the Sandakan Rainforest Discovery Centre.

Flood Relief Mission: Life Water team sending bottled water to communities affected by severe flood in Sabah in which supply of clean water was cut off.

Blood Donation Drive is a quarterly campaign by Life Water Berhad to help address the shortage of blood and save lives. The blood collected goes to the Duchess of Kent Hospital's blood bank. It is a collaborative effort between Life Water and the Hospital through a formal arrangement - the signing of a MoU.

Pickathon is a regular cleaning campaign by Life Water Berhad aimed at raising awareness on Anti-Littering, the importance of Recycling and instilling love and care for our environment.

Life Water continued to invest in meaningful programmes that support education, health, and resilience across Sabah:

Event Sponsorship & School Campaigns

Sponsored beverages for over 850 community and school sporting events, and ran 20 "Air Ku Hidup Ku" school campaigns, approved by the Sabah Department of Education, to raise awareness on clean water and recycling.

SUSTAINABILITY STATEMENT

SOCIAL (CONT'D)

Community Engagement (Cont'd)

Life Water continued to invest in meaningful programmes that support education, health, and community resilience across Sabah (Cont'd):

Educational Engagement

Organised 15 plant visits for schoolchildren to experience the water production process and strengthen brand familiarity.

Care for the Vulnerable

Conducted 2 welfare home visits , offering companionship and support to the elderly and disadvantaged.

Community Outreach

The 2More Fun Truck brought interactive brand experiences to 35 rural and community events, engaging consumers in a creative way.

Disaster Relief

Responded swiftly with 14 relief initiatives , supplying bottled water during floods, fires, and earthquakes.

Health Initiatives

Partnered with Duchess of Kent Hospital, Sandakan to run 38 blood donation campaigns, addressing critical shortages and saving lives.

Environmental Care

Recycling, upcycling and conservation initiatives such as tree planting and sea turtle nests adoption form part of K2 Goes Green programme

SUSTAINABILITY STATEMENT

GOVERNANCE

Good governance is the cornerstone of Life Water's long-term sustainability and resilience. As a newly listed company on Bursa Malaysia, we are committed to upholding the highest standards of integrity, transparency, and accountability in all aspects of our business. Strong governance ensures that our sustainability commitments are not only embedded into our strategy but also consistently delivered across operations and the value chain.

In FYE 2025, we strengthened our governance framework to align with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), the Malaysian Code on Corporate Governance (MCCG), and international best practices. Oversight of ESG matters is embedded at the Board level, with direct monitoring through the Audit and Risk Management Committee (ARMC) and execution by the Senior Management.

Policies and Codes of Conduct

To reinforce our governance culture, the Group has formalised several key policies that guide our day-to-day operations and ethical standards:

- Sustainability Policy – Outlines the Group's commitment to responsible growth, climate action, and stakeholder inclusivity; approved by the Board in August 2024.
- Environmental Policy – Governs our approach to resource use, waste reduction, emissions management, and regulatory compliance.
- Occupational Health and Safety Policy – Ensures a safe working environment through hazard identification, risk control measures, and continuous training.
- Whistleblowing Policy – Provides employees and stakeholders with a confidential channel to report unethical, illegal, or unsafe practices without fear of retaliation.
- Code of Business Ethics and Conduct – Establishes standards for integrity, compliance, and professionalism, applicable to all employees and business partners.
- Supplier Code of Conduct – Sets expectations for suppliers on labour rights, environmental practices, and ethical sourcing.
- Anti-Corruption and Anti-Bribery Policy – Prohibits bribery and corruption in line with the Malaysian Anti-Corruption Commission Act 2009, supported by employee awareness training.

Supply Chain Governance

Supplier assessments ensure partners uphold the same standards that guide Life Water's operations. In FYE 2025, 100% of our raw materials suppliers underwent ESG assessments covering environmental compliance, ethical labour practices, and product safety. Vendors are required to sign declarations confirming compliance with anti-forced labour laws and fair employment standards.

Regulatory Compliance and Product Safety

The Group maintained 100% compliance with all relevant Malaysian laws and regulations in FYE 2025, including:

- Environmental Quality Act 1974
- Food safety certifications (MeSTI, GMP, HACCP, ISO 22000)
- Halal certification standards

SUSTAINABILITY STATEMENT

GOVERNANCE (CONT'D)

Regulatory Compliance and Product Safety (Cont'd)

Our marketing and product labelling strictly adhere to national consumer protection and advertising laws, ensuring transparency and honesty in all customer communications.

In FYE 2026, Life Water will further enhance governance by strengthening ESG-linked Board oversight, reviewing existing policies to align with IFRS sustainability standards, and expanding supplier sustainability audits across the entire supply chain.

Data Privacy and Security

Protecting the confidentiality, integrity, and availability of information is critical to maintaining stakeholder trust and safeguarding our business operations. Life Water recognises that as our operations and reporting processes become increasingly digitalised, the risk of cyber threats and data breaches grows in parallel.

The Group has adopted a Data Protection and Cybersecurity Policy, which outlines requirements for data governance, system monitoring, and incident reporting. Periodic IT audits are conducted to review compliance with this policy and to identify areas for continuous improvement.

The Group implements strict access controls, regular system backups, and data security training and awareness programmes. No data breaches were reported in FYE 2025.

STATEMENT OF ASSURANCE

We have not sought assurance for this report. As we continue to improve our data collection systems, we will consider internal review or independent assurance as our reporting matures.

CONCLUSION

FYE 2025 marks an important milestone in Life Water's sustainability journey. We have set in motion a clear roadmap that aligns with Bursa Malaysia's Sustainability Reporting Guide and international frameworks such as GRI and IFRS S1/S2. Looking ahead, we are committed to expanding our disclosures to include Scope 3 emissions and advancing towards ambitious targets net-zero carbon emissions by 2050.

Through the combined efforts of our Board, management, employees, and partners, Life Water will continue to create long-term value for all stakeholders while contributing to a sustainable, resilient, and inclusive future for Malaysia and the communities we serve.

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	100.00
Executive and above	Percentage	100.00	100.00
Assistant and below	Percentage	41.25	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	496,016	607,461
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,062	975
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0	0
Management Between 30-50	Percentage	60.00	40.00
Management Above 50	Percentage	40.00	60.00
Executive and above Under 30	Percentage	4.35	9.80
Executive and above Between 30-50	Percentage	82.61	80.39
Executive and above Above 50	Percentage	13.04	9.80
Assistant and below Under 30	Percentage	50.95	47.99
Assistant and below Between 30-50	Percentage	47.15	49.04
Assistant and below Above 50	Percentage	1.90	2.98
Gender Group by Employee Category			
Management Male	Percentage	40.00	40.00
Management Female	Percentage	60.00	60.00
Executive and above Male	Percentage	43.48	45.10
Executive and above Female	Percentage	56.52	54.90
Assistant and below Male	Percentage	78.14	77.93
Assistant and below Female	Percentage	21.86	22.07
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	62.50	62.50
Female	Percentage	37.50	37.50
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	12.50	12.50
Above 50	Percentage	87.50	87.50

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	18,752	20,158
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0.00	0.00
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	7.65	9.15
Bursa C5(c) Number of employees trained on health and safety standards	Number	539	421
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	72	184
Executive and above	Hours	777	1,460
Assistant and below	Hours	2,876	3,107
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.39	1.75
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0.00	0.00
Executive and above	Number	8.00	7.00
Assistant and below	Number	252.00	207.00
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	57.77	59.68
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	569.50	586.82
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	230.66	190.32
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	187.62	163.14
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	43.04	27.18
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	2,742	2,963
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	9,313	10,023
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0	0

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") of Life Water Berhad acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance ("**MCCG**"). In line with this, the Board is committed to achieving and sustaining a high corporate governance within the Company and subsidiaries ("**the Group**") with transparency, business integrity and accountability by ensuring that a sound framework of the best corporate practices is in place.

As part of this commitment, the Board is pleased to present Corporate Governance Overview Statement ("**this Statement**") to provide the stakeholders with an overview of the extent of compliance with three (3) principles as set out below in MCCG under the stewardship of the Board: -

Principle A	Principle B	Principle C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This Statement is presented pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and it should be read together with Corporate Governance Report for the financial year ended 30 June 2025 ("**FYE 2025**") ("**CG Report**"), which is made available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html. Where a specific principle or practice of the MCCG has not been observed during the FYE 2025, the non-observation, including reasons thereof, and the alternative practice adopted, if any, is mentioned in the CG Report.

In view that the Company has only been listed on the Main Market of Bursa Securities on 13 November 2024 ("**Listing Date**"), this Statement covers the period from 13 November 2024, being the Listing Date up to 30 June 2025 or where applicable, up to 30 September 2025 (as indicated therein), being the latest practicable date.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Part I: Board Responsibilities

1) Roles and Responsibilities of the Board and Management

The Board takes full responsibility for the overall performance of the Group by setting strategic directions and objectives, formulating policies and executing key strategic action plans. The Board regularly reviews the Group's business operations and maintains full and effective control over its management.

The duties and responsibilities of the Board include determining the Group's overall strategic plans and performing periodic reviews of the business and financial performance, as well as adopting and implementing practical risk management and internal control systems within the Group.

The Board has overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the principal responsibilities of the Board include, among others, the following: -

a) together with management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
b) reviewing and setting a strategic plan for the Group to ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
c) reviewing, challenging and deciding on management's proposals for the Group, and monitoring its implementation by management;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I: Board Responsibilities (Cont'd)

1) Roles and Responsibilities of the Board and Management (Cont'd)

The Board has overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the principal responsibilities of the Board include, among others, the following (Cont'd): -

d) overseeing the conduct of the Group's business to ensure it is properly managed, including supervising and assessing corporate behaviour and conduct of the business of the Group;
e) identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
f) reviewing the information and risk management and internal control system and the effectiveness of the management;
g) ensuring there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience. The Board delegates to the Remuneration Committee ("**RC**") to review succession plans and remuneration packages for the Directors respectively as well as the Group's policies and procedures on remuneration for the consultants who are employees of the Group. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
h) developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective, transparent and regular communication with stakeholders;
i) ensuring the proper disclosure of corporate governance related information pursuant to the MMLR and the practices and guidance of the MCCG;
j) reviewing and approving financial statements;
k) reviewing and approving the Audit and Risk Management Committee ("**ARMC**"), Nomination Committee ("**NC"**) and RC reports at the end of each financial year;
l) reviewing and approving the Company's annual report;
m) ensuring the integrity of the Company's financial and non-financial reporting; and
n) undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director.

2) Responsibilities of the Board Chairman

Datuk Petrus Gimbad is the Independent Non-Executive Chairman of the Board and his key responsibilities as a Chairman, include but not limited to the following: -

a) providing leadership for the Board so that the Board can perform its responsibilities effectively;
b) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
c) leading the Board in establishing and monitoring good corporate governance practices in the Group;
d) leading Board meetings and discussions and acting as a facilitator at Board and ensuring appropriate level of interaction among Board members;
e) encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;
f) promoting constructive and respectful relations between Directors and senior management as well as managing the interface between the Board and the management;
g) ensuring compliance with all relevant regulations and legislation; and
h) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I: Board Responsibilities (Cont'd)

3) Separation of the positions of the Board Chairman and Managing Director

The Board recognises the importance of having a clearly accepted division of power and responsibilities to ensure a balance of power and authority.

The Board is helmed by the Independent Non-Executive Chairman, Datuk Petrus Gimbad who strives to instill good corporate governance practices, demonstrates strong leadership and oversees the effectiveness of the Board whilst Mr. Liaw Hen Kong, the Managing Director together with the Executive Director, oversee the day-to-day management and operations of the Group and the implementation of the Board's decisions, business strategies and policies.

The Board is of the view that the separation of the positions of the Chairman of the Board and the Managing Director together with the Independent Non-Executive Directors ("**INEDs**"), provides further assurance that there is a balance of power and authority in the Company and effective stewardship of the Group in terms of strategies and business performance.

In addition, Datuk Petrus Gimbad, the Independent Non-Executive Chairman of the Company, does not hold any membership of the Board Committees in the Company.

The roles of the Chairman of the Board and the Managing Director are clearly demarcated and defined in the Board Charter of the Company.

4) Company Secretaries

The Board is supported by two (2) Company Secretaries who are competent and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("**the Act**") to carry out its oversight duties.

All Directors have direct access to the advice and support of the Company Secretaries in relation to Board policies and procedures, compliance of applicable rules and regulations by the Group and corporate governance related practices.

The duties and responsibilities of the Company Secretaries, among others, are as follows:

- ensuring that the Board procedures are followed while a meeting is conducted;
- managing all Board and Board Committee meeting logistics, and attending and recording minutes of all Board and Board Committee meetings;
- advising the Board on its roles and responsibilities;
- facilitating the orientation of new Directors and assisting in Director's training and development;
- advising the Board on corporate governance, disclosures and compliance with company law, securities regulations and MMLR;
- managing procedures pertaining to Annual General Meeting ("**AGM**")/General Meeting; and
- monitoring corporate governance developments and assisting the Board in adopting good corporate governance practices to meet the Board's needs and stakeholders' expectations.

For the FYE 2025, the Company Secretaries had attended the relevant continuous professional development programmes for practising Company Secretaries. The Company Secretaries possess valid Practising Certificates issued by Companies Commission of Malaysia for the FYE 2025.

For the FYE 2025, the Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I: Board Responsibilities (Cont'd)

5) Timely circulation of meeting materials

The notices of scheduled Board meetings are served to all Directors at least seven (7) days prior to the Board meetings. Unless there is an exceptional case for convening of a special meeting of the Board to address any emergency issue, shorter notice is allowed with the consent of all Directors.

To leverage the usage of technology, the Board papers are circulated to the Directors in electronic form via email prior to the Board Meetings, to allow the Directors to consider the relevant information.

All Directors are furnished with a comprehensive Board meeting agenda, minutes of meeting and relevant information materials and documents at least five (5) business days in advance at each Board meeting to enable the Board to have sufficient time to review and to request for any further information or clarification prior to the Board meeting.

Subsequent to Board meetings, the minutes will be circulated to the Board for confirmation to ensure that the deliberations and decisions of the Board are accurately recorded. The Company Secretaries would ensure that a statement of declaration of interest or abstention from voting and deliberation are recorded in the minutes. The Chairman of the Board meeting signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the Act.

6) Demarcation of Responsibilities

i) Board Charter

The Board has in place a Board Charter, setting out, inter-alia, the roles, duties and responsibilities of the Board and the application of principles and practices of good corporate governance.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Any subsequent amendments to the Board Charter can only be approved by the Board.

The Board Charter is available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html

7) Good Business Conduct and Corporate Culture

i) Code of Conducts and Business Ethics

The Board has in place the Code of Conduct and Business Ethics ("**the Code**") which applies to all Directors, Management and employees during the conduct of businesses of the Group.

In addition, the Directors, Management and employees of the Group are required to observe and comply with the Code of Conduct for workplace. The Code will be reviewed as and when required.

The Code is available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html

ii) Whistleblowing Policy

The Board has adopted a Whistleblowing Policy to uphold the Group's effort and commitment in doing business with ethics of honesty and integrity, henceforth, providing a transparent and confidential process in handling the whistleblowing reports.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I: Board Responsibilities (Cont'd)

7) Good Business Conduct and Corporate Culture (Cont'd)

ii) Whistleblowing Policy (Cont'd)

The Whistleblowing Policy aims to provide a structured mechanism for its employees and business partners, sponsors or any person associated with the Company to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud and/or abuse involving the resources of the Group and to provide reassurance that they shall be protected from reprisals or victimisation for whistleblowing in good faith. The ARMC has been tasked by the Board to perform the oversight function over the administration of the Whistleblowing Policy.

The Whistleblowing Policy is available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html.

During the FYE 2025, none of the designated persons has received any reports or concerns via the abovementioned communication and feedback channels.

iii) Anti-Bribery and Anti-Corruption Policy and Procedures

The Board has in place an Anti-Bribery and Anti-Corruption Policy and Procedures to prevent corrupt practices and to provide a measure of assurance and defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Anti-Bribery and Anti-Corruption Policy and Procedures is available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html.

iv) Directors' Fit and Proper Policy

The Board has in place a Directors' Fit and Proper Policy, which sets out the fitness and propriety for the appointment and re-election of Directors and to ensure that each of the Director has the character, integrity, experience, competence and time commitment to effectively discharge his/her role as a Director of the Group in tandem with good corporate governance practices.

The Directors' Fit and Proper Policy is available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html.

8) Governance of Sustainability

The Board promotes sustainability through its strategic oversight and integration of sustainability considerations in the decision-making process and operations of the Company. This entails taking a holistic view of how the Company creates value for its shareholders and stakeholders bearing in mind Environmental, Social and Governance ("**ESG**") factors.

As part of the efforts in promoting and building sustainability momentum within the Group, the Management has strengthened the ESG integration into the group-wide operations, with a particular focus on environmental and social dimensions.

The Group has been continuously engaging with a wide range of stakeholders to communicate the Group's sustainability strategies to ensure its stakeholders are well aware of the Group's sustainability strategies.

The NC and Board would assess the trainings attended by all Directors to ensure that the Directors are continuously kept abreast of sustainability issues and climate-related risks and opportunities.

The details of the Group's sustainability practices are set out in the Sustainability Statement in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board Composition

1. Composition of the Board

The Board comprises eight (8) members, one (1) Managing Director, one (1) Executive Director, two (2) Non-Independent Non-Executive Senior Directors and four (4) INEDs. The Board fulfils the prescribed requirement of one-third (1/3) of the Board to be independent as stated in Paragraph 15.02(1) of the MMLR of Bursa Securities and Practice 5.2 of the MCCG to have at least half of the Board comprises Independent Directors.

The presence of INEDs from various fields are invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of INEDs is particularly important as they provide unbiased and independent views, advices and judgements to take into account the interests of the Group and stakeholders.

The profiles of individual Directors are set out in the Directors' Profile in this Annual Report.

2. INEDs

a) Tenure of INEDs

As at 30 June 2025, none of the INEDs had served the Board as INEDs for more than nine (9) years.

b) Policy of INED's Tenure

The Company does not have a policy which limits the tenure of the INEDs to nine (9) years. However, upon completion of the nine (9) years' term, the INED may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director.

In the event that the Director is to remain as an INED after the 9th year, the Company shall first justify the Director's independence and obtain annual shareholders' approval at every AGM through a two (2)-tier voting process to retain the INED of the Company who has served the Board for more than nine (9) years.

The NC is responsible to conduct a review to determine whether a Director can continue to be independent if the tenure of the INED exceeds the cumulative term of nine (9) years. Thereafter, the NC shall recommend to the Board for recommendation to the shareholders on the retention of the aforesaid INED, if he/she so meets the independence guidelines as set out in Chapter 1 of the MMLR of Bursa Securities.

3. Procedures for appointment of Directors

The NC is delegated with responsibility to source, identify, review and recommend candidates for appointment to the Board and Board Committees taking into consideration the optimum and effective size of the Board and the candidates based on the following criteria: -

(a) Candidates' skills, expertise, experience, professionalism, commitment, integrity, character and competence;
(b) Board diversity including age and gender diversity; and
(c) In the case of candidates for the position of the INEDs, evaluate the candidates' ability to discharge such responsibilities/functions as are expected from INEDs.

The NC will not limit themselves by solely relying on the recommendations from the existing Board members, Management or major shareholders, but also will utilise variety of approaches, sources or independent sources to identify suitably qualified candidates including but not limited to the sourcing from a directors' registry and open advertisements or the use of independent search firms.

During the FYE 2025, there was no new Directors appointed to the Board of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board Composition (Cont'd)

4. Boardroom Diversity

The Board acknowledges the importance of boardroom diversity, including gender diversity, for the effective functioning of the Board. The Board has in place a Board Diversity Policy to promote the inclusion of different perspective and ideas, mitigates against groupthink and ensure that the Company can benefit from all available talent.

The Board comprises three (3) female Directors out of eight (8) Directors, equivalent to 38% women representation on the Board, exceeding the 30% target as envisaged in Practice 5.9 of the MCCG.

5. Board Committees

The Board has delegated certain responsibilities to the Board Committees to assist it in discharging its fiduciary duties. All the Board Committees operate within clearly defined Terms of Reference.

i) ARMC

The membership, a summary of works of the ARMC and Internal Audit Function and Activities in respect of the FYE 2025 are stated in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report.

ii) NC

During the FYE 2025 and up to the date of this Statement, the NC consists of three (3) members, majority of whom are INEDs, and the composition of the NC is as follows:

Members	Designation	No. of NC meetings attended/held	Percentage
Puan Selma Enolil Binti Mustapha Khalil	Chairperson	1/1	100%
Mr. Ang Seng Wong	Member	1/1	100%
Mr. Tan Hwong Kuen	Member	1/1	100%

The NC is chaired by Puan Selma Enolil Binti Mustapha Khalil. The Chairperson of the NC is responsible to lead the NC to carry out annual review of effectiveness of the Board as a whole, and the Board committees, as well as the contribution and performance of each individual Director on an on-going basis in terms of contribution, skills, experience and other qualities.

In addition, the NC also has the function of assessing the effectiveness of the Board, reviewing the skills and competencies of individual Director and the composition of the various committees of the Board. The objective is to improve the Board's effectiveness, identify gaps, maximise strengths and address weaknesses of the Board.

The Terms of Reference of the NC, outlining the NC's composition, meeting procedures, circular resolution, authority and duties and responsibilities, is available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board Composition (Cont'd)

5. Board Committees (Cont'd)

ii) NC (Cont'd)

Summary of Works

The following works were undertaken by the NC during the FYE 2025 and up to the date of this Statement:

- Examined the composition of the Board and Board committees.
- Reviewed the gender diversity of the Board.
- Reviewed the required mix of skills, experience and other qualities of the Board.
- Reviewed the meeting attendance of the Board and members of the Board committees for the FYE 2025 and the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company.
- Reviewed the length of service of each INED and assessment of the independence of the INEDs to assess their abilities to bring independent and objective judgement to Board's deliberations and proposals.
- Reviewed the results of the assessments on terms of office and effectiveness of the ARMC, the effectiveness of the Board as a whole and the committees of the Board and the contribution and performance of each individual Director for the FYE 2025.
- Reviewed the fit and properness of the Director(s) who will be standing for re-election at the Second AGM ("**2nd AGM**") of the Company and recommended the same to the Board for approval.
- Reviewed the programmes attended by the Directors for the FYE 2025 and the training needs of the Directors for the financial year ending 30 June 2026 ("**FYE 2026**").

Reinforce Independence: Annual Assessment of Independence of Directors

The Board adopts the concept of independence in tandem with the definition of INED as prescribed under Paragraph 1.01 of the MMLR of Bursa Securities. The Board also carries out an annual assessment of the independence of its INEDs through the assistance of the NC for the FYE 2025.

The Board considers that its INEDs provide an objective and independent view on various issues dealt with at the Board and Board committees level. All the INEDs are independent of management and are free from any relationship that could materially interfere with the exercise of their independent judgement.

Re-election of Directors

In accordance with Clause 76(3) of the Company's Constitution, at the AGM in every subsequent year, one-third (1/3) of the Directors will retire from office unless elected or re-elected at the AGM. The Directors retiring will be those longest in office since their last election. If the Directors were appointed/elected on the same day, the Directors to retire will be either as agreed between those Directors or by lot. If the total number of Directors is not three (3) or a multiple of it, the number nearest to one-third (1/3) will retire. All the Directors shall retire from office at least once in each three (3) years, but shall be eligible for re-election.

Directors who are appointed by the Board to fill a casual vacancy shall hold office until the next AGM and shall then be eligible for re-election pursuant to Clause 78 of the Company's Constitution.

iii) RC

The membership of the RC and summary of the works carried out by the RC to discharge their duties during the FYE 2025 and up to the date of this Statement are stated in Principle A, Section III Paragraph (2) of this Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board Composition (Cont'd)

6. Overall Board Effectiveness

i) Annual Evaluation of the Board

The Board, through the NC, and facilitated by the Company Secretaries, would undertake the following assessments annually:

a) The Board and Board committees performance evaluation;
b) Self-performance evaluation;
c) ARMC performance assessment questionnaires; and
d) Independence of the INEDs.

The independency of the INEDs of the Company had been fulfilled in accordance with the MMLR of Bursa Securities and would not impede their independence in carrying out their duties in the Board and Board committees' meetings.

During the FYE 2025 and up to the date of this Statement, the Board via the NC's annual assessment is satisfied with the performance of the Directors, Datuk Petrus Gimbad, Madam Chin Lee Ling and Mr. Ang Seng Wong who are standing for re-election pursuant to the Constitution and recommended shareholders their proposed re-election at the 2nd AGM. The details of the Directors who were due for retirement and eligible for re-election at the 2nd AGM, which included the nature of interest, position and experience are set out in the Directors' Profile in the Annual Report in respect of the FYE 2025.

ii) Board Meetings

During the FYE 2025, a total of four (4) Board meetings were held and the details of each Director's attendance at the Board meetings were as follows:

Name of Directors	Designation	No. of meetings attended	Percentage
Datuk Petrus Gimbad	Independent Non-Executive Chairman	3/4	75%
Mr. Liaw Hen Kong	Managing Director	4/4	100%
Madam Chin Lee Ling	Executive Director	4/4	100%
Mr. Tan Hwong Kuen	Non-Independent Non-Executive Senior Director	4/4	100%
Mr. Lim Young Piau	Non-Independent Non-Executive Senior Director	4/4	100%
Mr. Ang Seng Wong	Independent Non-Executive Director	4/4	100%
Ms. Tan Mui Ping	Independent Non-Executive Senior Director	4/4	100%
Puan Selma Enolil Binti Mustapha Khalil	Independent Non-Executive Senior Director	4/4	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board Composition (Cont'd)

6. Overall Board Effectiveness

ii) Board Meetings (Cont'd)

In the intervals between the Board meetings, Board approvals are obtained via circular resolutions for exceptional matters requiring Board's decision which is supported by the relevant information in order to form an informed decision. In order to facilitate the Directors' planning and time management, an annual meeting calendar is prepared and given to the Directors before the beginning of each financial year.

All of the Directors do not hold more than five (5) directorships in public listed companies as stipulated under the MMLR of Bursa Securities. A Director must inform the Chairman of the Board of their acceptance of any additional directorships in publicly traded businesses, if any. Directors need to ensure their continued time commitment to serve the Group and not conflict or perceived to conflict with their employment and commitment.

The Board is satisfied with the time commitment given by the Directors, who hold not more than five (5) directorships in public listed companies.

iii) Directors' Training

During the FYE 2025, the Directors had attended the following training programmes:

Directors	Training(s) Attended
Datuk Petrus Gimbad	- The Chairpersons' Circle - Mandatory Accreditation Programme Part II: Leading for Impact ("**LIP**")
Mr. Liaw Hen Kong	- E-Invoice Best Practices: 10 Areas You Can't Afford to Overlook - Anti Bribery and Risk Management
Madam Chin Lee Ling	- E-Invoice Best Practices: 10 Areas You Can't Afford to Overlook - Anti Bribery and Risk Management
Mr. Tan Hwong Kuen	- Anti Bribery and Risk Management
Mr. Lim Young Piau	- Anti Bribery and Risk Management
Mr. Ang Seng Wong	- Bursa Academy: Conflict of Interest ("**COI**") and Governance COI - How can boards make the most of Blockchain & Digital Assets - Mandatory Accreditation Programme Part II: LIP - The Cosec's Playbook Series: Navigating and Managing Board COI - ICDM Board Interview Tips & Profiling - ICDM BARMC Dialogue & Networking Session | Board's Role in Whistleblowing Oversight - ICDM Advocacy Dialogue & Networking Session Post-Budget 2025 Dialogue: Key Highlights & A Conversation with the Ministry of Finance (MOF) - Boardroom Insight 2025: Navigating Governance, Risk and Strategic Foresight - ICDM Advocacy Dialogue and Networking Session: E-Invoicing and its Impact on Directors

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II: Board Composition (Cont'd)

6. Overall Board Effectiveness (Cont'd)

iii) Directors' Training (Cont'd)

During the FYE 2025, the Directors had attended the following training programmes (Cont'd):

Directors	Designation
Ms. Tan Mui Ping	- COI and Governance of COI - Enterprise Risk Management - ACCA Technical Symposium 2024 - Mandatory Accreditation Programme Part II: LIP - ICDM BARMC Dialogue & Networking Session | Board's Role in Whistleblowing Oversight - Boardroom Insights 2025: Navigating Governance, Risk and Strategic Foresight - Tratax Tax Conference - ICDM Advocacy Dialogue and Networking Session : E-Invoicing and its Impact on Directors
Puan Selma Enolil Binti Mustapha Khalil	- E-Invoicing for Law Firms (by LumenzTax) - Bursa Malaysia Board Ethics: Growing Concerns from New Technology, Stakeholder Interest & Conflict of Interest - Securities Commission and Bursa Malaysia : Engagement with Advisers - Introduction to Environmental, Social, and Governance (by Elite Asia Localisation Sdn Bhd) - The Journey into the AI Age – Game Changer for your Digital Transformation (ICDM/Bursa Malaysia)

Upon review, the Board concluded that the Directors' trainings for the FYE 2025 were adequate.

Part III: Remuneration

1) Remuneration Policy

The Board has adopted a Remuneration Policy for the Board and Senior Management sets out the criteria to be used in recommending the remuneration package of Directors and Senior Management of the Company.

The remuneration package of the Managing Director, Executive Director and Key Senior Management are linked to the Group's and their individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities assumed in the Board committees, their attendances, special skills and expertise that they bring to the Board.

The Remuneration Policy is available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html

2) RC

The main function of the RC is to assist the Board in fulfilling its responsibilities on matters relating to the Group's compensation, bonuses, incentives and benefits. The RC assists the Board in assessing the remuneration packages of the Director and Senior Management with a view to ensure the remuneration package offered are in line with market practice, reviews the Directors' fees and benefits proposed to the Board for approval and recommendation to the shareholders at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III: Remuneration (Cont'd)

2) RC (Cont'd)

During the FYE 2025 and up to the date of this Statement, the RC consists of three (3) members, majority of whom are INEDs, and the composition of the RC is as follows:

Members	Designation	No. of RC meetings attended/held	Percentage
Mr. Ang Seng Wong	Chairman	1/1	100%
Ms. Tan Mui Ping	Member	1/1	100%
Mr. Lim Young Piau	Member	1/1	100%

The Terms of Reference of the RC, outlining the RC's composition, meeting procedures, circular resolution, authority and duties and responsibilities, is available on the Company's website at https://investor.lifewater.com.my/corporate_governance.html

Summary of Works

The following works were undertaken by the RC during the FYE 2025 and up to the date of this Statement:

- Reviewed and recommended to the Board the remuneration package of the Directors and Key Senior Management of the Company for the FYE 2026.
- Reviewed and recommended to the Board the Directors' fees and benefit payable to the Directors of the Company for the period from the 2nd AGM until the next AGM of the Company to be held in year 2026.

3) Directors' Remuneration

Directors' remuneration is disclosed on a named basis, consistent with Practice 8.1 of MCCG. the details of remuneration of the Directors of the Company comprising remuneration received from the Group and the Company during the FYE 2025 were as follows: -

Name of Directors	Fee RM'000	Allowances RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other Emoluments RM'000	Total RM'000
Group							
INEDs							
Datuk Petrus Gimbad	60	4	-	-	-	-	64
Mr. Ang Seng Wong	54	4	-	-	-	-	58
Ms. Tan Mui Ping	54	4	-	-	-	-	58
Puan Selma Enolil Binti Mustapha Khalil	54	4	-	-	-	-	58

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III: Remuneration (Cont'd)

3) Directors' Remuneration (Cont'd)

Directors' remuneration is disclosed on a named basis, consistent with Practice 8.1 of MCCG. the details of remuneration of the Directors of the Company comprising remuneration received from the Group and the Company during the FYE 2025 were as follows (Cont'd): -

Name of Directors	Fee RM'000	Allowances RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other Emoluments RM'000	Total RM'000
Group							
Non-Independent Non-Executive Senior Director							
Mr. Tan Hwong Kuen	84	-	-	-	-	-	84
Mr. Lim Young Piau	84	-	-	-	-	-	84
Executive Directors							
Mr. Liaw Hen Kong	-	16	2,400	800	28	387	3,631
Madam Chin Lee Ling	-	40	2,400	800	-	390	3,630
Company							
INEDs							
Datuk Petrus Gimbad	60	4	-	-	-	-	64
Mr. Ang Seng Wong	54	4	-	-	-	-	58
Ms. Tan Mui Ping	54	4	-	-	-	-	58
Puan Selma Enolil Binti Mustapha Khalil	54	4	-	-	-	-	58
Non-Independent Non-Executive Senior Director							
Mr. Tan Hwong Kuen	84	-	-	-	-	-	84
Mr. Lim Young Piau	84	-	-	-	-	-	84
Executive Directors							
Mr. Liaw Hen Kong	-	16	2,400	800	28	387	3,631
Madam Chin Lee Ling	-	40	2,400	800	-	390	3,630

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III: Remuneration (Cont'd)

4) Remuneration of Key Senior Management

The Board is of the view that it is inappropriate to disclose the remuneration of Key Senior Management taking into consideration the sensitivity, security, and issue of staff morale.

The Board believes that the non-disclosure of remuneration of the Key Senior Management who are not Directors of the Company will not prejudice the interest of its shareholders.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

1) ARMC

The ARMC consists of three (3) INEDs which complied with Paragraph 15.09(1)(b) of the MMLR of Bursa Securities whereby the ARMC shall only consist of Non-Executive Directors and majority of whom are INEDs. The Chairperson of the ARMC, Ms. Tan Mui Ping, is not the Chairman of the Board.

For detailed information on the ARMC with regards to its composition, activities and its report, please refer to the ARMC report in this Annual Report.

None of the ARMC members was a former partner of the external audit firm of the Company. In line with the MCCG, the Board has adopted the Terms of Reference of the ARMC that no former partner of the external audit firm of the Company could be appointed as a member of the ARMC before observing a cooling-off period of at least three (3) years.

All members of the ARMC are financially literate and have the relevant accounting, finance and/or related financial experience and expertise to effectively discharge their duties. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profile in this Annual Report.

2) Suitability, Objectivity and Independence of the External Auditors

The Board, through the ARMC, maintains a formal and transparent relationship with its External Auditors in seeking professional advice. The ARMC meets with the External Auditors without the presence of the Executive Board members and Management regarding audit planning, adequacy of controls, and other relevant audit and accounting issues.

The ARMC is assigned to assess, review and supervise the performance, suitability, objectivity and independence of the External Auditors. Evaluation of the External Auditors is carried out on a yearly basis to determine its continuance suitability, objectivity and independence via a formal assessment form. The ARMC remains confident that the objectivity and independence of the External Auditors are not in any way impaired by reason of the non-audit services provided to the Group.

The External Auditors confirmed that independence check and confirmation procedures were carried out and there is no conflict of interest for the audit and non-audit services engagement during the FYE 2025.

3) Risk Management and Internal Control

The Board is responsible for the overall and oversight of risk management of the Group, covering the systems of risk management and internal control for financial, operational and compliance while the Managing Director and Executive Director, together with the Key Senior Management are primarily responsible for managing risks in the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

3) Risk Management and Internal Control (Cont'd)

The Statement on Risk Management and Internal Control ("**SORMIC**") is set out in this Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group as well as the review mechanism of the Board. The Board has expressed in the SORMIC that they are satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control.

The Internal Audit Function is outsourced to an internal audit consulting firm. Further details of Internal Audit Function are reported in the ARMC Report

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1) Corporate Reporting

In presenting the annual financial statements and quarterly announcements of its results, the Board is committed to provide a balanced, fair and comprehensive assessment of the Group's state of affairs in relation to its financial performance. In order to achieve the above, adequate financial processes are in place, aimed at keeping the Group's accounting records and transactions in accordance with accepted accounting standards.

The ARMC assists the Board by reviewing the financial statements with Management and the External Auditors to ensure the accuracy and adequacy of all the information to be disclosed as well as to ensure its compliance with the requirements of the rules and regulations of the regulators and approved accounting standards. The Financial Controller also presented to the ARMC and the Board the detailed presentations on the financial results.

The Statement of Directors' Responsibility pursuant to the MMLR of Bursa Securities on its responsibilities in preparing the audited financial statements is set out in other section of this Annual Report.

2) Communication with Stakeholders

Information on the Group's business and corporate development, annual reports, circulars, general meetings, press releases, quarterly financial results and timely announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. These form an important channel of communication to reach the stakeholders.

The Managing Director is the designated spokesperson for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.

In addition, the Company maintains a website at https://lifewater.com.my/ for shareholders, investors and general public to access information on, amongst others, the Group's corporate profile, products, financial performance announcements published on Bursa Securities' website, Board Charter and Board committees' Terms of Reference and corporate information.

3) Conduct of General Meetings

Notice of AGM

The Company will serve all shareholders at least twenty-eight (28) days' notice for the forthcoming 2nd AGM.

The Notice of the 2nd AGM will provide a detailed explanation for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make informed decisions in exercising their voting rights.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

3) Conduct of General Meetings (Cont'd)

Directors' Commitment

The Company held its First AGM on 27 September 2024, prior to being listed on the Main Market of Bursa Securities.

The Company will hold its 2nd AGM on 18 December 2025 and all the Directors of the Company have planned to be physically present at the AGM. The Board and the Chairs of the ARMC, NC and RC are committed to provide meaningful responses to questions posed to them during the 2nd AGM.

The Chairman of the Board will ensure that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question-and-Answer session during the General Meetings of the Company.

The Directors of the Company will endeavour to respond to relevant questions addressed to them during the General Meetings of the Company. The representative of the External Auditors will also be attending and participating in the General Meetings of the Company to respond to the queries raised by the shareholders.

Upon conclusion of the AGM, the Board will ensure that the minutes of the meeting, including responses to questions, are published on the Company's website within thirty (30) business days for shareholders' reference.

Voting in Absentia and Remote Shareholders' Participation at General Meeting(s)

The Company was listed on the Main Market of Bursa Securities on 13 November 2024.

The forthcoming 2nd AGM of the Company will be held physically and remote participation by shareholders is not available. In line with the MMLR of Bursa Securities, all resolutions set out in the Notice of the 2nd AGM would be voted by poll. An independent scrutineer would be appointed to validate the votes cast at the 2nd AGM.

Shareholder(s) who was unable to attend the meeting could appoint proxy(ies) or the Chairman of the meeting to represent and vote on their behalf at the 2nd AGM by submitting their proxy form with pre-determined voting instructions.

CONCLUSION

The Board is satisfied that, it complies substantially with the recommendations of the practices of the MCCG throughout FYE 2025 and up to the date of this Statement. This CG Overview Statement and the CG Report are made in accordance with the resolution passed by the Board on 16 October 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**the Board**") of Life Water Berhad ("**the Company**") is pleased to present this Statement on Risk Management and Internal Control, prepared in accordance with Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**MMLR**") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers as well as the Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**").

This Statement outlines the nature and scope of the risk management and internal control systems within the Company and its subsidiaries ("**the Group**") for the financial year ended ("**FYE**") 30 June 2025.

The Board acknowledges the importance of a structured and systematic approach to assessing the Group's risk management and internal control processes. It reaffirms its commitment to upholding a robust framework for risk management and internal control throughout the Group.

BOARD'S RESPONSIBILITIES

The Board acknowledges its responsibility for the integrity of the Group's system of internal control and risk management. This includes the ongoing evaluation of the adequacy and effectiveness of these systems to ensure the protection of shareholders' investments and the Group's assets.

In fulfilling this duty, the Board is supported by the Audit and Risk Management Committee ("**ARMC**"), which operate under clearly defined Terms of Reference. While this Committee provides dedicated oversight, the Board retains ultimate accountability for establishing the desired ethical and governance culture, championing leadership, and instilling principled conduct across the organisation to deliver sustainable value to all stakeholders.

The Board acknowledges that the systems of internal control and risk management contain inherent limitations. As such, these systems are designed to manage rather than fully eliminate risks, operating within the Group's predefined risk tolerance levels. Therefore, these systems provide reasonable, but not absolute, assurance against material misstatement or loss.

RISK MANAGEMENT

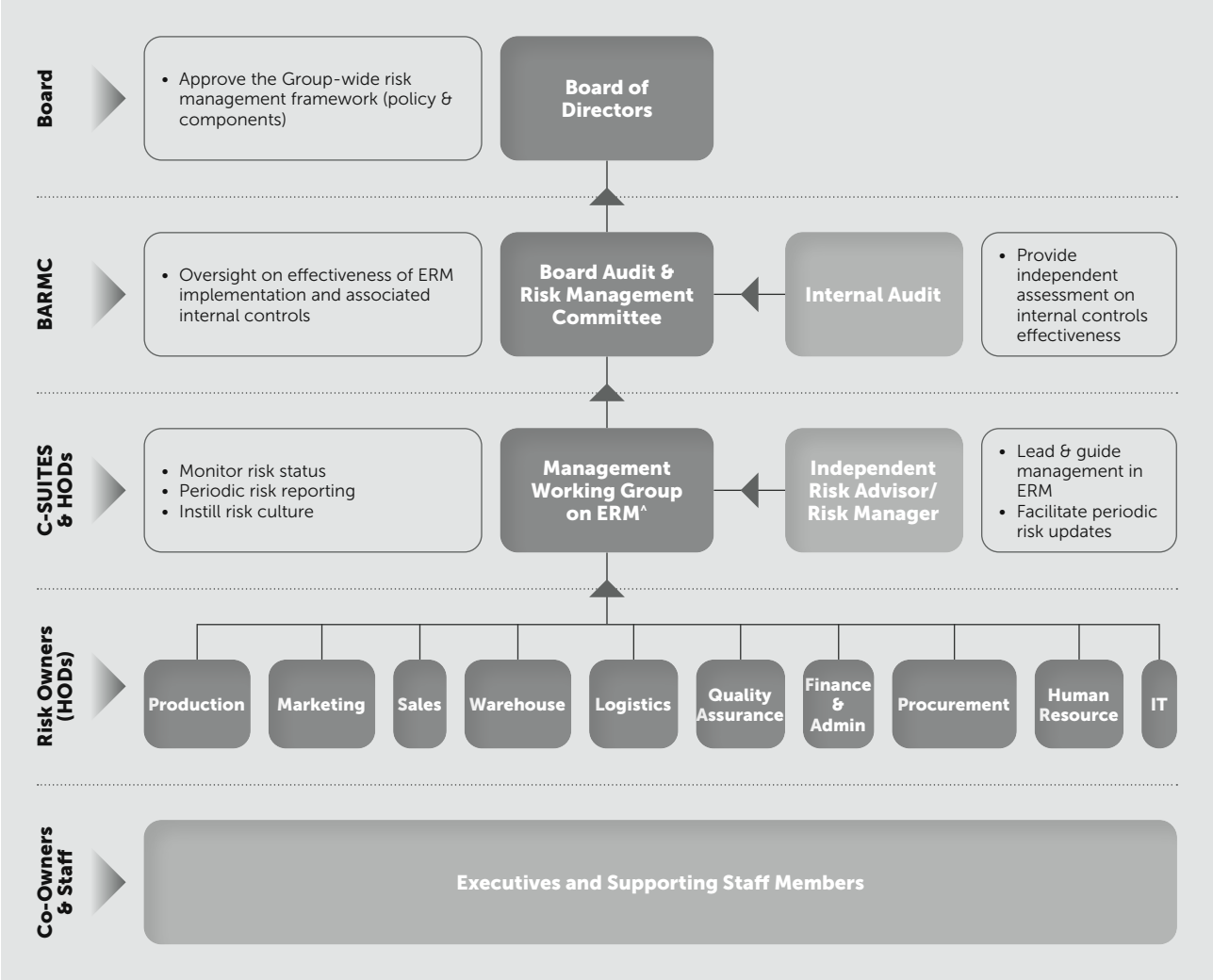
The Group acknowledges that an embedded and systematic approach to risk management is fundamental to sound management and strong corporate governance. This approach strengthens decision-making, improves accountability, and leads to better organisational outcomes.

In FYE 2025, the Group engaged an external risk consultant to develop an enterprise risk management framework. This framework, aligned with the principles and guidelines of ISO 31000:2018, establishes the Group's risk governance structure, risk policy, and risk assessment methodology, while ensuring the integration of risk management into critical business activities and functions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK GOVERNANCE

The risk governance structure defines the distinct roles and responsibilities of the Board, Board level risk oversight committee, management level risk working group, and business executives on risk management practices execution, reporting and oversight responsibilities.



Key roles and responsibilities on risk governance and oversight for board, board risk committee, senior management and executives are:

1. Risk Owners and Co-Owners from business operating and support functions:
   a. Manage risks daily and take actions to mitigate them timely.

2. Board Audit and Risk Management Committee:
   a. Provides oversight, independent monitoring on risk management implementation.
   b. Review and approve group risk management policy statement, and the overall Enterprise Risk Management ("**ERM**") framework for the group.

3. Internal Audit:
   a. Provides independent assurance on the effectiveness of internal controls and risk management implementation, monitoring and reporting processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT PROCESSES

While the Board is responsible for approving and overseeing the Group's Enterprise Risk Management (ERM) framework, the ARMC is tasked with reviewing the implementation of risk management processes, providing guidance to Senior Management, and monitoring the effectiveness of risk responses and mitigation efforts.

A set of risk registers was developed (via facilitation by external risk consultant) and is maintained by the Executive Management, comprising the Executive Directors and Head of Departments. Risk Owners were identified for risks rated as high. These Risk Owners are responsible for the continuous monitoring of risks and for preparing corresponding mitigation measures. The risk registers are subject to a formal annual review, during which emerging risks are incorporated as necessary. Mitigation actions and risk indicators are monitored and updated on a continuous basis. The said Register is discussed at all regular Senior Management meetings and reported annually to the Board through the ARMC.

Overview of risk management process and activities at the group which is aligned to ISO 31000:2018 Risk Management Guidelines

Risk Management Processes is adapted from ISO31000:2018 (Risk Management - Guidelines)

Step 1: Establish Scope, Context and Criteria: Define the boundaries, objectives, and criteria for risk management, including the Group's risk appetite and tolerance levels.

Step 2: Risk Assessment:
(a) Risk Identification: Identify potential risks that may affect the Group's objectives, drawing from internal input, external factors, and historical data.
(b) Risk Analysis: Assess the likelihood and impact of each risk, considering financial, operational, compliance, reputational, and sustainability aspects.
(c) Risk Evaluation: Compare risk ratings against the Group's risk appetite and prioritise risks that require treatment or Board attention.

Step 3: Risk Treatment: Develop responses such as avoiding, reducing, transferring, or accepting the risk, and assign responsibilities for implementation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT PROCESSES (CONT'D)

Step 4: Recording & Reporting: Document identified risks, assessments, and treatment actions in the Risk Register, and prepare regular reports for Management and the Board.

Step 5: Monitoring & Review: Continuously monitor risks, controls, and mitigation plans, updating the Risk Register with new or emerging risks as necessary.

Step 6: Communication & Consultation: Engage stakeholders throughout the process to ensure clarity, transparency, and a strong risk-aware culture across the Group.

The following table highlights the key risks, deliberated by the ARMC in FYE 2025, and corresponding mitigation measures to ensure effective management of key exposures in line with the Group's risk appetite.

- **Product Contamination** – The risk of compromised product quality is managed through strict quality control measures, regular testing, and beverages production protocols.
- **Safety & Health Hazards** – Workplace risks to employee safety and health are mitigated via continuous training, compliance with safety standards, and proactive monitoring.
- **Compliance Management Challenge** – Regulatory compliance risks are managed by strengthening internal controls, ongoing staff awareness programmes, and regular compliance reviews.
- **Cybersecurity Threats** – The risk of cyber-attacks or technology-related threats affecting assets and operations is managed by continuously taking relevant actions to ensure a safe operating environment is preserved.
- **ESG Implementation Challenge** – The risk of failing to meet increasing stakeholder requirements on ESG implementation and reporting is managed by progressively implementing relevant ESG programs.
- **Disruption of Water and Electricity** – The Group mitigates the risk of utility disruptions, including water and electricity, by maintaining spare water tanks, using dedicated water trucks, and ensuring backup power systems are in place. Regular maintenance and adequate inventories help ensure continuous and resilient operations.
- **Critical Equipment Failure** – Risks are managed through preventive maintenance, equipment monitoring, and staff training to enhance reliability and reduce downtime.

The Board remains committed to regularly reviewing and strengthening the Group's risk management process to ensure its continued effectiveness and relevance to the Group's requirements.

INTERNAL AUDIT FUNCTION

The Group appointed an independent external service provider to support the ARMC and the Board in fulfilling their oversight duties by conducting an objective evaluation of the internal control system implemented by Management, with emphasis on its adequacy and effectiveness. The internal auditors assigned to this engagement maintained full objectivity and independence, with no relationships or conflicts of interest that could influence their impartiality. The review was performed following a risk-based internal audit plan approved by the ARMC and in alignment with the International Professional Practices Framework ("**IPPF**").

The audit outcomes were reviewed with Senior Management, and the internal audit team actively tracked the implementation of corrective actions to verify that all identified issues and control gaps were addressed by Management in a timely manner.

Although certain weaknesses in internal controls were identified, none were deemed to have caused material losses or given rise to contingencies that would necessitate additional disclosure in this Annual Report. The ARMC evaluated the internal audit findings and presented them to the Board on 27 February 2025 and 28 May 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

Within FYE 2025, two (2) audit visits were conducted to evaluate the effectiveness of controls in the following areas:

a) Sales and Billing
b) Credit Control and Collection
c) Inventory Management
d) Procurement Management

The cost incurred for the internal audit function amounted to RM48,204.

Further details of the internal audit function are outlined in the Audit and Risk Management Committee Report on page 87 of this Annual Report.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The following outlines the key components of the Group's risk management and internal control systems, which maintain strong corporate governance:

- Organisation Structure and Authorisation Procedures

  The Group maintains a well-defined organisational structure with clear reporting lines and delegated authority levels. This framework supports informed and efficient decision-making across the Group in line with business objectives.

- Management meetings

  Monthly Management Committee meetings are conducted, chaired by the Managing Director, and attended by Executive Director, the Group Financial Controller, Senior Management, and Heads of Department. These meetings review operational performance, monthly financial results, and other strategic matters.

- ISO Certification

  The Group's operations are certified with the following ISO standards:

- ISO 22000:2018 – Food Safety Management Systems
  Globally recognised for food and beverage companies; focuses on managing food safety risks and ensuring safe products.

  The Group follows key safety, quality, and HALAL standards. Its facilities are certified under MS1480:2019 HACCP for food safety, supporting Health Certificate approvals. Life Water's plants are also accredited with GMO-free and MeSTI certifications, showing strong commitment to food safety and quality.

  The Group's systems and processes are subject to periodic review by ISO auditors to ensure continued compliance with certification requirements.

- Code of conduct and Ethics

  The Group's Code of Business Conduct (COBC) applies to all Directors and Employees. It reinforces a culture of integrity, transparency, and fairness, and promotes a safe and respectful workplace.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Group's operations are certified with the following ISO standards (Cont'd):

- Whistleblowing Policy

  The Group is committed to the highest standards of ethical conduct, transparency, and accountability. A Whistleblowing Policy is in place to enable employees and business partners to report, in good faith, any genuine concerns or misconduct through secure and accessible channels.

- Anti-Bribery and Anti-Corruption Policy ("**ABAC**")

  The Group's ABAC sets out simple rules for donations, sponsorships, hospitality, and gifts. It also guides employees on how to handle requests, bribery, or other corrupt practices.

  This policy applies to all employees and stakeholders of Life Water and the Group. Every employee are required to confirm that they have read, understood, and will follow the Policy.

REVIEW THE STATEMENT BY EXTERNAL AUDITORS

The External Auditor has performed a review of this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the FYE 2025, in accordance with Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). This review was carried out based on the Audit and Assurance Practice Guide 3 ("**AAPG 3**"), Guidance for Auditors on Engagements to Report on the Statement, as issued by the Malaysian Institute of Accountants ("**MIA**").

Based on the External Auditor's review, nothing has come to their attention that causes them to believe that this Statement has not been prepared, in all material respects, in accordance with the disclosures requirements set out in paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

The Board has received assurance from the Managing Director and the Group Financial Controller on 16 October 2025 that the Group's risk management and internal control systems have been operating adequately and effectively in all material aspects, based on the risk management framework adopted by the Company.

Having evaluated the established controls and procedures, the activities performed during the year, and the reports provided by the internal and external auditors, the Board is of the view that the Group's risk management and internal control systems operated satisfactorily throughout the financial year under review. No material control failures occurred, and no reported control weaknesses resulted in material losses or significant contingencies.

The Board remains committed to continuously monitoring and enhancing these systems. Where appropriate, it will implement measures to further reinforce the Group's risk management and internal control framework in light of the dynamic and increasingly complex business landscape.

This statement was approved by the Board of Directors on 16 October 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("**the Board**") is pleased to present the Audit and Risk Management Committee ("**ARMC**") Report for the financial year ended 30 June 2025 ("**FYE 2025**"). This Report outlines how the ARMC has discharged its functions and responsibilities during the year, in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the principles of the Malaysian Code on Corporate Governance ("**MCCG**").

A. Authority

The Board established the ARMC to strengthen its oversight of the Group's financial reporting, internal controls, governance processes, and risk management framework. The ARMC was constituted in line with the requirements of Bursa Securities and the MCCG, reflecting the Board's commitment to transparency, accountability, and effective stewardship.

The ARMC assists the Board in discharging its statutory and fiduciary responsibilities by ensuring the integrity of financial reporting, monitoring compliance with applicable laws and regulations, and overseeing the work and independence of both the internal and external auditors. It also plays a central role in assessing the adequacy of the Group's internal control environment and risk management practices, including reviewing the risk profile of the Group and Management's responses to mitigate identified risks.

In addition, the ARMC is tasked with safeguarding the interests of shareholders by ensuring that related party transactions (if any) are conducted at arm's length, overseeing the administration of the whistleblowing policy, and providing assurance that ethical standards and governance practices are upheld. By establishing the ARMC, the Board ensures a structured, independent, and focused forum for the review of audit and risk matters, thereby enhancing confidence in the Group's governance framework.

B. Composition of the ARMC and Meetings Attendance

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors ("**INEDs**") who satisfied the test of independence under the Main LR of Bursa Securities. The current composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Main LR of Bursa Securities and Step-Up Practice 9.4 of the MCCG. All members of the ARMC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of ARMC.

The Chairperson of the ARMC, Ms. Tan Mui Ping ("**Ms. Tan**") is an INED. In this respect, the Company complies with Paragraph 15.10 of the Main LR of Bursa Securities. Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairperson of the ARMC is not the Chairman of the Board.

In addition, Ms. Tan has been a Fellow Member of the Association of Chartered Certified Accountants since 2006. She is also a member of the Malaysian Institute of Accountants ("**MIA**"). In this respect, the Company complies with Paragraph 15.09(1)(c) of the Main LR of Bursa Securities.

The Company acknowledges the importance of upholding independency with the external auditors and there should be no possible conflict of interest ("**COI**") that may arise at any point of time. None of the members of the ARMC were former audit partners of the External Auditors appointed by the Group. Nonetheless, the Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was an audit partner of the external auditors of the Group.

During the FYE 2025, the ARMC held a total of three (3) meetings. The members of ARMC and their attendance at the meetings are set out below: -

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

B. Composition of the ARMC and Meetings Attendance (Cont'd)

Members	Designation	Directorship	Attendance	Percentage
Ms. Tan Mui Ping	Chairperson	Independent Non-Executive Director	3/3	100%
Mr. Ang Seng Wong	Member	Independent Non-Executive Director	3/3	100%
Puan Selma Enolil Binti Mustapha Khalil	Member	Independent Non-Executive Director	3/3	100%

Notices of ARMC meetings were circulated to the ARMC members at least seven (7) days in advance. The Company Secretaries subsequently compiled the relevant meeting papers and disseminated electronic copies to the ARMC members prior to the commencement of the ARMC meetings to enable informed deliberations.

All discussions and deliberations during the ARMC meetings were duly minuted by the Company Secretaries. The minutes were tabled for confirmation at the following ARMC meeting and, thereafter, signed by the Chairperson. The Chairperson of the ARMC reported to the Board on the Committee's proceedings and presented its recommendations, together with the rationale, for the Board's consideration and approval of the annual audited financial statements and unaudited quarterly financial results. Where necessary, the Chairperson also conveyed to the Board any significant matters of concern identified by the ARMC.

C. Assessment of the Term of Office and Performance of the ARMC

The Nomination Committee ("**NC**") had reviewed the term of office and performance of the ARMC as well as whether its members have carried out their duties in accordance with the Terms of Reference ("**TOR**") of ARMC for the FYE 2025.

Upon review, the NC is satisfied with the overall performance of the ARMC and its individual members for FYE 2025. The NC had reported the outcome of assessment to the Board for notation.

D. Formal assessment on the External Auditors

In compliance with Practice 9.3 of the MCCG, the ARMC has set in place procedures to assess the suitability, objectivity and independence of the external auditors on annual basis.

Upon assessment, the ARMC is satisfied with Messrs. BDO PLT's ("**BDO**") technical competency, i.e. suitability and independence during the financial year under review and has recommended to the Board for the reappointment of BDO as the external auditors of the Company for the financial year ended 30 June 2026 ("**FYE 2026**"). The Board, thereafter, has recommended the same for shareholders' approval at the forthcoming Second Annual General Meeting ("**AGM**") of the Company.

E. TOR

The authority, duties and responsibilities of the ARMC are set out in its TOR which is available for viewing in the Company's website at https://investor.lifewater.com.my/corporate_governance.html.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

F. Summary of Activities

Since listing on 13 November 2024 and up to the date of this Report, the summary of works carried out by the ARMC were as follows:-

1. Oversight of External Audit Function (BDO)

- Received the Audit Planning Memorandum for FYE 2025 covering audit scope and approach, significant audit findings and statutory timeline.
- Reviewed and approved the proposed audit fees for the FYE 2025.
- Met once with external auditors without the presence of Executive Directors and Management.
- Reviewed Audit Review Memorandum for the FYE 2025 covering audit findings, key audit matters and control improvements.
- Recommended re-appointment of BDO as External Auditors.

2. Oversight of Internal Audit Function [In.Corp Global (M) Sdn. Bhd. ("In.Corp")]

- Approved Internal Audit Plan for the FYE 2025 and FYE 2026 and internal audit fees.
- Reviewed the internal audit report and assessed the major findings by the Internal Auditors and evaluated Management's response.
- Reviewed the progress updates on the follow-up review of the previous internal audit reports.
- Met once with internal auditors without the presence of Executive Directors and Management.
- Reviewed and assessed the adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities in respect of FYE 2025.

3. Risk Management and Compliance

- Reviewed the Risk Management Report.
- Reviewed the whistleblowing reports received during the FYE 2025.

4. Financial Reporting

- Reviewed unaudited financial quarter results and recommended the same for the Board's approval.
- Reviewed the draft Audited Financial Statements and recommended the same for the Board's approval.
- Reviewed the proposed declaration of dividends prior to recommendation to the Board for consideration and approval.

5. Related Party Transactions ("RPTs") and COI

- Reviewed and monitored any the RPTs and COI situation that arose, persist or may arise within the Group on a quarterly basis, including any transaction, procedure or course of conduct that raises questions on management integrity.

6. Others Matters

- Reviewed and confirmed the minutes of the ARMC meetings.
- Reviewed the draft ARMC report for inclusion into the Annual Report.
- Reviewed the draft Statement on Internal Control and Risk Management for inclusion into the Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

G. Internal Audit Function

The Internal Audit function plays a vital role in providing the Board, through the ARMC, with independent and objective assurance on the adequacy and effectiveness of the Group's system of internal control. The function is structured to operate with impartiality, proficiency, and due professional care in the execution of its audit assignments.

The Group outsources its Internal Audit Function to an independent professional firm, namely In.Corp as the Group's Internal Auditors. The Internal Auditors report directly to the ARMC, provide the Board with a reasonable assurance of adequacy, efficiency and effectiveness of the Group's internal control system. The Internal Auditors is responsible to conduct reviews in accordance with the internal audit plan or other ad-hoc assignments which are approved by the ARMC.

The Internal Auditors have affirmed to the ARMC that they were free from any relationships or COI in relation to the Group, which could impair their objectivity and independence.

Summary of Works of the Internal Audit Function for the FYE 2025

During the FYE 2025, the summary of works undertaken by In.Crop comprised the followings: -

- Presented Internal Audit Plan for FYE 2025 and FYE 2026.
- Presented Internal Audit Report to the ARMC.
- Presented the progress updates on the follow-up review of the previous internal audit reports.

Total costs incurred for the FYE 2025

The total cost incurred for the Internal Audit function of the Group for FYE 2025 amounted to RM48,204/-.

The ARMC and the Board are satisfied with the performance of the outsourced Internal Auditors.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

This ARMC Report was presented and approved at the meeting of the Board held on 16 October 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

Life Water Berhad ("**the Company**") was listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 13 November 2024 ("**Listing**"). As part of the Listing exercise, the Company has undertaken a public issue of 97,563,000 new ordinary shares at an issue price of RM0.65 per share, raising total gross proceeds of approximately RM63.42 million ("**IPO Proceeds**").

The status of the utilisation of the proceeds as at 30 June 2025, is disclosed as follows:-

Details of Use of Proceeds	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Estimated Timeframe for Utilisation from Listing
Purchase PET injection moulding machine	5,000	5,000	-	Within 2 months
Set up additional drinking water manufacturing line for Sandakan Sibuga Plant 1	19,000	15,643	3,357	Within 9 months
Set up an automated warehouse racking system in KK IZ8 Plant 1	4,606	-	4,606	Within 14 months
Purchase of drinking water manufacturing line for Sandakan Sibuga Plant 2	12,000	-	12,000	Within 32 months
Set up second distribution centre at Sandakan	12,600	-	12,600	Within 39 months
Working capital	4,210	4,210	-	Within 3 months
Estimated listing expenses	6,000	6,000	-	Within 3 months
Total	**63,416**	**30,853**	**32,563**	

The utilisation of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 22 October 2024.

2. Audit and Non-Audit Services

During the financial year ended 30 June 2025 ("**FYE 2025**"), Messrs. BDO PLT, the External Auditors, have rendered audit and non-audit services to the Company and its subsidiaries ("**the Group**"). The breakdown of the fees payable to the External Auditors is as follows:-

	Company (RM)	Group (RM)
Audit services rendered	53,000	161,000
Non-audit services rendered • Review of the Statement on Risk Management and Internal Control • Preparation of transfer pricing documentation	3,000	50,650
Total	**56,000**	**211,650**

ADDITIONAL COMPLIANCE INFORMATION

3. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

There were no RRPT entered into by the Group which involve the Directors' and/or major shareholders' interest during the FYE 2025.

4. Material Contracts

There were no material contracts entered into by the Group (not being contracts entered into in the ordinary course of business) involving the interests of the Directors, Chief Executive and major shareholders which were still subsisting at the end of FYE 2025 or which were entered into since the end of the previous financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RELATION TO THE FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act 2016 ("**the Act**"), the applicable Malaysian Financial Reporting Standards and the International Financial Reporting Standards, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Company and its subsidiaries ("**the Group**") and the Company as at the end of the financial year, and of the results and cash flows for that year then ended.

The Directors consider that in preparing the Audited Annual Financial Statements:

- the Group and the Company had used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- complete disclosures of all information required under the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad have been made and followed.

In preparing the Audited Annual Financial Statements, the Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Act.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

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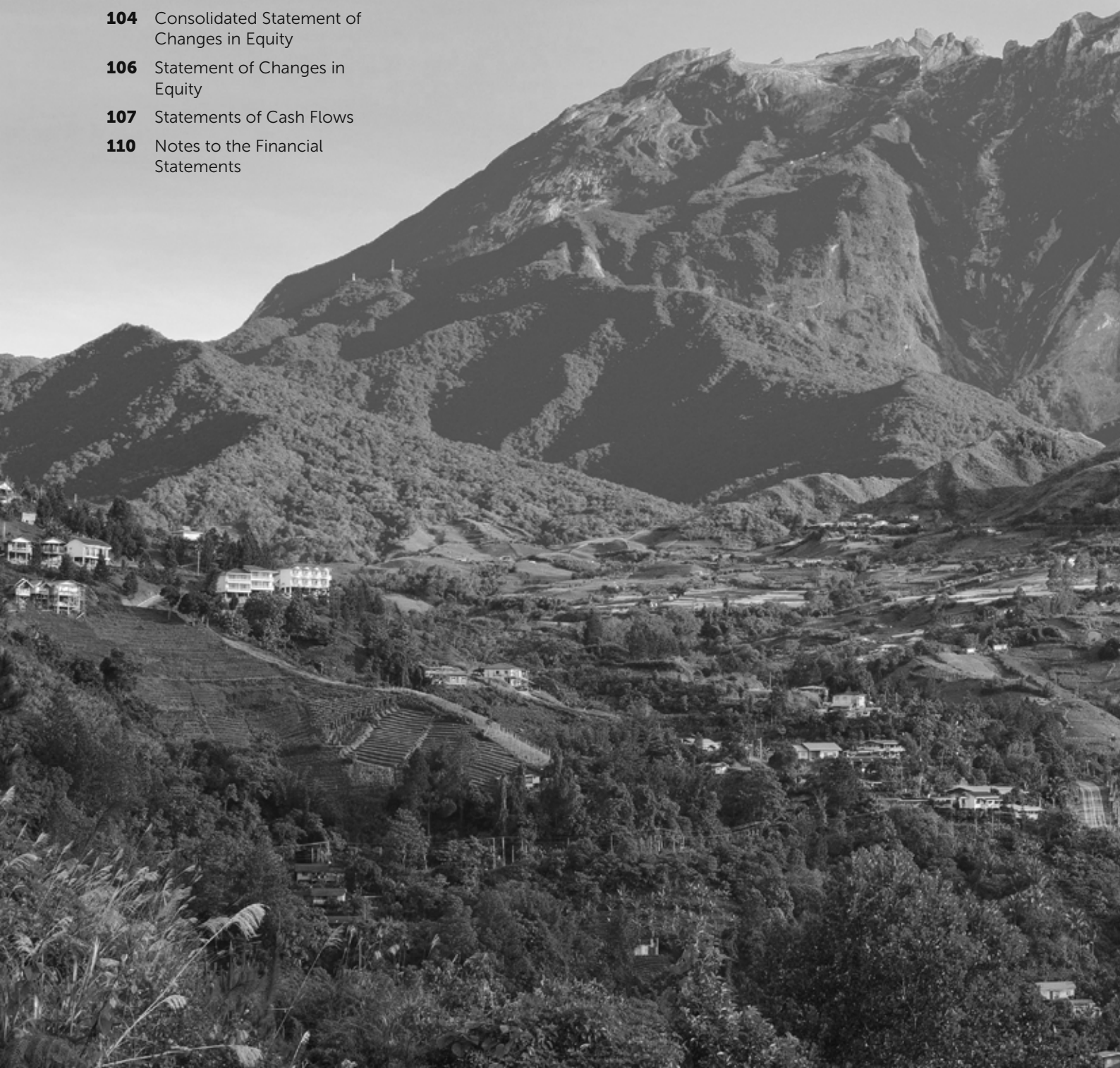

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are mainly manufacturing, sales and marketing of drinking water, carbonated drinks and other drinks, polyethylene terephthalate ("PET") containers and related products, manufacturing of preforms and caps, provision of leasing service of motor vehicles and collection of recyclable materials. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year other than provision of leasing service of motor vehicles.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year attributable to owners of the parent	30,021,808	(332,122)

DIVIDEND

On 25 August 2025, the Directors declared an interim single tier dividend of approximately 1.59 sen per ordinary share amounted to RM7,523,554 in respect of the financial year ended 30 June 2025, which will be payable on 13 November 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2026.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

On 25 September 2024, the Company increased its issued and paid-up share capital from RM100 to RM93,904,100 by way of issuance of 375,616,000 new ordinary shares for a total consideration of RM93,904,000 as full payment for the acquisitions of the aggregate net assets of subsidiaries.

On 11 November 2024, the Company issued 97,563,000 new ordinary shares at an issue price of RM0.65 per ordinary share for a total consideration of RM63,415,950 in conjunction with the initial public offering and listing of the Company on Bursa Malaysia Securities Berhad.

The newly issued ordinary shares ranked equally in all respects with the existing ordinary shares of the Company. There were no other issuance of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS' REPORT

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Life Water Berhad

Datuk Petrus Gimbad
Liaw Hen Kong ^
Chin Lee Ling ^
Tan Hwong Kuen ^
Lim Young Piau ^
Ang Seng Wong
Tan Mui Ping
Selma Enolil Binti Mustapha Khalil

^ *These Directors of the Company are also the Directors of subsidiaries of the Company.*

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	---------- Number of ordinary shares ----------			
The Company	**Balance as at 1.7.2024**	**Acquired**	**Sold**	**Balance as at 30.6.2025**
Direct interests:				
Liaw Hen Kong	300	93,904,200	(93,904,300)	200
Chin Lee Ling	-	93,964,300	(93,904,000)	60,300
Tan Hwong Kuen	-	93,904,000	(7,097,500)	86,806,500
Lim Young Piau	-	93,904,000	(7,097,500)	86,806,500
Datuk Petrus Gimbad	-	200,000	-	200,000
Ang Seng Wong	-	200,000	-	200,000
Tan Mui Ping	-	200,000	-	200,000
Selma Enolil Binti Mustapha Khalil	-	100,000	-	100,000
Deemed interests:				
Liaw Hen Kong*	-	173,673,600	-	173,673,600
Chin Lee Ling #	-	173,613,500	-	173,613,500

* *Deemed interested by virtue of his interest held by his spouse pursuant to Section 59(11)(c) of the Companies Act 2016 and Scarecrow Holding Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.*

\# *Deemed interested by virtue of her interest held by her spouse pursuant to Section 59(11)(c) of the Companies Act 2016 and Scarecrow Holding Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.*

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the remuneration received or receivable by the Directors from certain related corporations in their capacities as Directors of those corporations.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The remuneration of Directors of the Group and of the Company for the financial year ended 30 June 2025 were as follows:

	Group RM	Company RM
Fees	390,000	390,000
Short term employee benefits	6,471,500	16,000
Defined contribution plan	770,880	-
Social security contribution	6,844	-
	7,639,224	406,000

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group amounted to RM34,500.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for Directors, officers and auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

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

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(I) AS AT THE END OF THE FINANCIAL YEAR (CONT'D)

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

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

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

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

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Corporate restructuring

(i) On 25 September 2024, the Company has acquired the entire equity interest of Life Water Industries Sdn. Bhd. for a total consideration of RM50.92 million, which was fully satisfied by the issuance of 203,690,960 new shares at an issue price of RM0.25 each.

(ii) On 25 September 2024, the Company has acquired the entire equity interest of Green Borneo Industries Sdn. Bhd. for a total consideration of RM22.82 million, which was fully satisfied by the issuance of 91,298,280 new shares at an issue price of RM0.25 each.

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) Corporate restructuring (Cont'd)

(iii) On 25 September 2024, the Company has acquired the entire equity interest of Life Water Marketing Sdn. Bhd. for a total consideration of RM12.66 million, which was fully satisfied by the issuance of 50,623,796 new shares at an issue price of RM0.25 each.

(iv) On 25 September 2024, the Company has acquired the entire equity interest of Syarikat Maju Sasa Sdn. Bhd. for a total consideration of RM2.36 million, which was fully satisfied by the issuance of 9,454,172 new shares at an issue price of RM0.25 each.

(v) On 25 September 2024, the Company has acquired the entire equity interest of Syarikat Rasa Kool Sdn. Bhd. for a total consideration of RM3.68 million, which was fully satisfied by the issuance of 14,730,020 new shares at an issue price of RM0.25 each.

(vi) On 25 September 2024, the Company has acquired the entire equity interest of K2 Water Sdn. Bhd. for a total consideration of RM1.42 million, which was fully satisfied by the issuance of 5,693,900 new shares at an issue price of RM0.25 each.

(vii) On 25 September 2024, the Company has acquired the entire equity interest of Cyplast Industries Sdn. Bhd. for a total consideration of RM0.03 million, which was fully satisfied by the issuance of 124,872 new shares at an issue price of RM0.25 each.

(b) Initial Public Offering ("IPO") and listing of the Company on Bursa Malaysia Securities Berhad

In conjunction with the Company's listing on the Main Market of Bursa Malaysia Securities Berhad, the Company issued its Prospectus for its IPO entailing the following:

(i) Public issue of 97,563,000 new shares ("Public Issue Shares") at an IPO price of RM0.65 per share in the following manner:

(a) 23,660,000 Public Issue Shares for application by the Malaysia Public;

(b) 14,195,000 Public Issue Shares for application by the Group's eligible Directors, employees and persons who have contributed to the success of the Group;

(c) 560,000 Public Issue Shares by way of private placement to selected investors; and

(d) 59,148,000 Public Issue Shares by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry.

(ii) Offer for sale of 28,390,000 existing shares by way of private placement to selected investors.

Upon completion of the IPO, the Company was admitted to the Official List of Bursa Malaysia Securities Berhad and the Company's entire enlarged issued share capital of 473,179,500 shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 13 November 2024.

(c) On 28 May 2025, the Company entered into a Share Sale Agreement ("SSA") to acquire 100% equity interest in Twinine Sdn. Bhd., for a total cash consideration of RM10,500,000. Twinine Sdn. Bhd. is principally involved in the processing, supply, and retail of soya sauce, oyster sauce, chili paste, and tomato paste. The above SSA was completed on 1 July 2025.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 2 September 2025, one of the subsidiaries, Life Water Industries Sdn. Bhd. entered into a sale and purchase agreement ("SPA") with a third party for the purchase of one (1) unit of light industrial building located at Lot 38, Kimbell Light Industrial Estate, held under CL No. 115385683, District of Lahad Datu, Sabah, for a total purchase consideration of RM850,000. The transaction was not completed as at reporting date.

DIRECTORS' REPORT

SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Life Water Industries Sdn. Bhd.	Malaysia	100.00	-	Manufacture of drinking water, carbonated drinks and other drinks, polyethylene terephthalate ("PET") containers, preforms, caps and related products.
Green Borneo Industries Sdn. Bhd.	Malaysia	100.00	-	Manufacture of drinking water.
Life Water Marketing Sdn. Bhd.	Malaysia	100.00	-	Sales and marketing of drinking water, carbonated drinks and other drinks, PET containers and related products.
Syarikat Maju Sasa Sdn. Bhd. *	Malaysia	100.00	-	Sales of drinking water, carbonated drinks, juice drinks and PET containers.
Syarikat Rasa Kool Sdn. Bhd. *	Malaysia	100.00	-	Sales of drinking water, carbonated drinks, juice drinks and PET containers.
K2 Water Sdn. Bhd.	Malaysia	100.00	-	Provision of leasing service of motor vehicles.
Cyplast Industries Sdn. Bhd.	Malaysia	100.00	-	Collection of recyclable materials.

* *The subsidiaries have ceased business in financial year ended 2023.*

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2025 were as follows:

	Group RM	Company RM
Statutory audit	161,000	53,000
Non-statutory audit	3,000	3,000
	164,000	56,000

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

.....
Liaw Hen Kong
Director

.....
Chin Lee Ling
Director

Sandakan
16 October 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 102 to 145 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the financial year then ended.

On behalf of the Board,

.....
Liaw Hen Kong
Director

.....
Chin Lee Ling
Director

Sandakan
16 October 2025

STATUTORY DECLARATION

I, Christina Yap Chui Fui (CA 23043), being the officer primarily responsible for the financial management of Life Water Berhad, do solemnly and sincerely declare that the financial statements set out on pages 102 to 145 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Sandakan this)
16 October 2025)

.....
Christina Yap Chui Fui

Before me:

Muhammad Razeef Bin Hamzah
No. S155
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIFE WATER BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Life Water Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 102 to 145.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of trade receivables

The net carrying amount of trade receivables of the Group as at 30 June 2025 were RM16,664,313 as disclosed in Note 11 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Audit response

Our audit procedures included the following:

(a) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;

(b) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and

(c) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there is no key audit matter to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIFE WATER BERHAD
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIFE WATER BERHAD

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Pang Zhi Hao
03450/09/2027 J
Chartered Accountant

Kuala Lumpur
16 October 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
		2025	2024	2025	2024
ASSETS	**Note**	**RM**	**RM**	**RM**	**RM**
Non-current assets					
Property, plant and equipment	6	112,914,630	72,628,222	-	-
Right-of-use assets	7	64,094,741	53,542,039	-	-
Investment properties	8	-	21,611,069	-	-
Deferred tax assets	18	179,747	72,789	-	-
Investments in subsidiaries	9	-	-	93,904,000	-
		177,189,118	147,854,119	93,904,000	-
Current assets					
Inventories	10	35,583,232	20,640,607	-	-
Trade and other receivables	11	23,150,238	22,994,547	1,446,995	500
Current tax assets		3,583,730	1,479,223	-	-
Return assets	20	130,593	148,811	-	-
Short term funds	12	73,089,190	33,495,902	47,622,991	-
Cash and bank balances	13	22,724,513	16,466,459	9,747,442	89,768
		158,261,496	95,225,549	58,817,428	90,268
TOTAL ASSETS		335,450,614	243,079,668	152,721,428	90,268
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	154,620,050	100	154,620,050	100
Invested equity		-	6,700,100	-	-
Merger reserve	15	(87,203,900)	-	-	-
Retained earnings/ (Accumulated losses)		141,336,265	115,314,457	(1,997,026)	(1,664,904)
TOTAL EQUITY/(CAPITAL DEFICIENCY)		208,752,415	122,014,657	152,623,024	(1,664,804)
LIABILITIES					
Non-current liabilities					
Borrowings	17	81,853,053	84,634,923	-	-
Lease liabilities	7	3,122,535	3,383,960	-	-
Deferred tax liabilities	18	4,932,661	3,818,197	-	-
		89,908,249	91,837,080	-	-
Current liabilities					
Borrowings	17	21,109,172	18,701,365	-	-
Lease liabilities	7	803,364	1,146,973	-	-
Trade and other payables	19	14,467,735	8,890,333	98,404	1,755,072
Refund liabilities	20	158,034	193,047	-	-
Current tax liabilities		251,645	296,213	-	-
		36,789,950	29,227,931	98,404	1,755,072
TOTAL LIABILITIES		126,698,199	121,065,011	98,404	1,755,072
TOTAL EQUITY AND LIABILITIES/ LIABILITIES NET OF CAPITAL DEFICIENCY		335,450,614	243,079,668	152,721,428	90,268

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Revenue	21	172,977,023	166,532,194	-	-
Cost of sales		(92,395,332)	(86,516,872)	-	-
Gross profit		80,581,691	80,015,322	-	-
Other operating income		4,310,577	2,580,579	1,278,525	-
Net reversal of impairment losses of financial assets		182,780	31,472	-	-
Selling and distribution expenses		(30,037,669)	(27,348,946)	-	-
Administrative expenses		(15,349,248)	(15,241,729)	(1,610,647)	(1,654,657)
Finance costs		(4,662,826)	(3,483,444)	-	-
Profit/(Loss) before tax	22	35,025,305	36,553,254	(332,122)	(1,654,657)
Tax expense	25	(5,003,497)	(8,432,643)	-	-
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		30,021,808	28,120,611	(332,122)	(1,654,657)
Attributable to:					
Total comprehensive income/(loss), attributable to owners of the parent		30,021,808	28,120,611	(332,122)	(1,654,657)
Earnings per ordinary shares attributable to equity holders of the parent:					
Basic and diluted (RM)	26	0.06	0.06		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Group	Share capital RM	Invested equity RM	Retained earnings RM	Total equity RM
Balance as at 1 July 2023	100	6,700,100	87,193,846	93,894,046
Profit for the financial year	-	-	28,120,611	28,120,611
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	28,120,611	28,120,611
Balance as at 30 June 2024	100	6,700,100	115,314,457	122,014,657

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Group	Note	Share capital RM	Invested equity RM	Merger reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 July 2024		100	6,700,100	-	115,314,457	122,014,657
Profit for the financial year		-	-	-	30,021,808	30,021,808
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	30,021,808	30,021,808
Transactions with owners						
Dividend paid by subsidiaries	16	-	-	-	(4,000,000)	(4,000,000)
Issuance of ordinary shares for the acquisition of subsidiaries		93,904,000	(6,700,100)	(87,203,900)	-	-
Issuance of ordinary shares	14	63,415,950	-	-	-	63,415,950
Listing expenses attributable to the initial public offering	14	(2,700,000)	-	-	-	(2,700,000)
Total transactions with owners		154,619,950	(6,700,100)	(87,203,900)	(4,000,000)	56,715,950
Balance as at 30 June 2025		154,620,050	-	(87,203,900)	141,336,265	208,752,415

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Company	Note	Share capital RM	Accumulated losses RM	(Capital deficiency)/ Total equity RM
Balance as at 1 July 2023		100	(10,247)	(10,147)
Loss for the financial year		-	(1,654,657)	(1,654,657)
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		-	(1,654,657)	(1,654,657)
Balance as at 30 June 2024/1 July 2024		100	(1,664,904)	(1,664,804)
Loss for the financial year		-	(332,122)	(332,122)
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		-	(332,122)	(332,122)
Transactions with owners				
Issuance of ordinary shares for the acquisition of subsidiaries	14	93,904,000	-	93,904,000
Issuance of ordinary shares	14	63,415,950	-	63,415,950
Listing expenses attributable to the initial public offering	14	(2,700,000)	-	(2,700,000)
Total transactions with owners		154,619,950	-	154,619,950
Balance as at 30 June 2025		154,620,050	(1,997,026)	152,623,024

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		35,025,305	36,553,254	(332,122)	(1,654,657)
Adjustments for:					
Amortisation of government grant	22	(145,312)	(145,312)	-	-
Bad debts written off	22	106,201	92,696	-	-
Depreciation of:					
- property, plant and equipment	6	10,785,863	8,594,108	-	-
- investment properties	8	249,264	237,581	-	-
- right-of-use assets	7	1,891,682	2,241,252	-	-
Gain on disposal of property, plant and equipment	22	(42,023)	(15,010)	-	-
Gain on lease termination	7	-	(9,116)	-	-
Property, plant and equipment written off	6	98,814	1,047	-	-
Reversal of impairment losses on trade receivables	11(f)	(182,780)	(40,863)	-	-
Finance costs	22	4,662,826	3,483,444	-	-
Interest income	22	(1,589,168)	(740,934)	(652,709)	-
Inventories written off	10	224,386	266,924	-	-
Impairment loss on trade receivables	11(f)	-	9,391	-	-
Fair value gain on short term funds	22	(1,059,543)	(133,485)	(625,816)	-
Operating profit/(loss) before changes in working capital		50,025,515	50,394,977	(1,610,647)	(1,654,657)
Changes in working capital:					
Inventories		(15,167,011)	(513,183)	-	-
Trade and other receivables		(91,046)	1,470,548	(1,377,593)	16,838
Trade and other payables		5,677,338	(1,885,315)	72,141	-
Return assets		18,218	7,135	-	-
Refund liabilities		(35,013)	(11,731)	-	-
Cash generated from/(used in) operations		40,428,001	49,462,431	(2,916,099)	(1,637,819)
Interest received		261,677	695,321	652,709	-
Tax refunded		92,027	54,263	-	-
Tax paid		(6,237,093)	(5,052,591)	-	-
Net cash from/(used in) operating activities		34,544,612	45,159,424	(2,263,390)	(1,637,819)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to a subsidiary		-	-	(68,902)	-
(Repayment to)/Advance from a related party		-	-	(1,728,809)	1,727,487
Purchase of :					
- property, plant and equipment	6	(38,734,132)	(13,328,379)	-	-
- investment properties	8	-	(5,018,650)	-	-
- right-of-use assets	7	(657,089)	(3,884,867)	-	-
Proceeds from disposal of property, plant and equipment		42,026	15,012	-	-
Placement of pledged fixed deposits		(46,246)	-	-	-
Placement in short term funds		(67,149,999)	(17,730,873)	(58,171,325)	-
Withdrawal of short term funds		29,945,720	2,468,515	11,174,150	-
Net cash (used in)/from investing activities		(76,599,720)	(37,479,242)	(48,794,886)	1,727,487
CASH FLOWS FROM FINANCING ACTIVITIES					
Government grant received		148,240	337,060	-	-
Drawdowns of :					
- banker's acceptances		46,686,611	33,256,745	-	-
- term loans		2,944,170	23,386,386	-	-
Repayments of :					
- banker's acceptances		(43,189,237)	(31,139,073)	-	-
- lease liabilities		(1,179,862)	(1,758,086)	-	-
- term loans		(9,065,516)	(23,222,918)	-	-
Interest paid		(4,748,349)	(3,530,288)	-	-
Payments of listing expenses attributable to the initial public offering	14	(2,700,000)	-	(2,700,000)	-
Proceeds from issuance of ordinary shares	14	63,415,950	-	63,415,950	-
Dividends paid to shareholders by subsidiaries	16	(4,000,000)	-	-	-
Net cash from/(used in) financing activities		48,312,007	(2,670,174)	60,715,950	-
Net increase in cash and cash equivalents		6,256,899	5,010,008	9,657,674	89,668
Cash and cash equivalents at beginning of financial year		14,743,101	9,733,093	89,768	100
Cash and cash equivalents at end of financial year	13(d)	21,000,000	14,743,101	9,747,442	89,768

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 7) RM	Group Banker's acceptances (Note 17) RM	Term loans (Note 17) RM
As at 1 July 2023	3,891,760	9,210,801	55,468,656
Cash flows:			
- Drawdowns	-	33,256,745	23,386,386
- Repayments	(1,907,689)	(31,489,974)	(26,252,702)
- Repayments of interest	149,603	350,901	3,029,784
	(1,758,086)	2,117,672	163,468
Non-cash flows:			
- Addition	2,502,803	-	36,330,600
- Unwinding of interest	7,418	-	-
- Lease termination	(112,962)	-	-
	2,397,259	-	36,330,600
As at 30 June/ 1 July 2024	4,530,933	11,328,473	91,962,724
Cash flows:			
- Drawdowns	-	46,686,611	2,944,170
- Repayments	(1,435,376)	(43,798,027)	(12,949,561)
- Repayments of interest	255,514	608,790	3,884,045
	(1,179,862)	3,497,374	(6,121,346)
Non-cash flows:			
- Addition	570,197	-	2,295,000
- Unwinding of interest	4,631	-	-
	574,828	-	2,295,000
As at 30 June 2025	3,925,899	14,825,847	88,136,378

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

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

1. CORPORATE INFORMATION

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

The registered office of the Company was changed from Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur to Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at CL075356375 & CL075356366, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah.

The consolidated financial statements for the financial year ended 30 June 2025 comprise the Company and its subsidiaries. The functional currency of the Company is Ringgit Malaysia ("RM"). The financial statements of the Group and of the Company are presented in RM.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 16 October 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are mainly manufacturing, sales and marketing of drinking water, carbonated drinks and other drinks, polyethylene terephthalate ("PET") containers and related products, manufacturing of preforms and caps, provision of leasing service of motor vehicles and collection of recyclable materials. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year other than provision of leasing service of motor vehicles.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of Amendments to MFRSs during the financial year. The Amendments to MFRSs adopted during the financial year are disclosed in Note 4.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The acquisitions of subsidiaries have been accounted for as a business combination amongst entities under common control. Accordingly, the financial statements of Life Water Berhad have been consolidated using the merger method of accounting.

Under merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

Title	Effective Date
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature - dependent Electricity*	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

5. OPERATING SEGMENTS

(a) Business segment

The primary activities of the Group are in a single industry segment of processing, marketing and sales of drinking water, aerated beverages and related products. Other reporting segment include manufacture and sales of preforms and polyethylene terephthalate ("PET") containers, which is not of a sufficient size to be reported separately.

Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group has only one (1) reportable segment.

(b) The Group evaluates performance on the basis of profit or loss for the financial year.

(c) Geographical information

The business activities of the Group are solely located in Malaysia and as such segment reporting by geographical location is not presented.

(d) Major customer

There is no customer with revenue equal to or more than ten per centum (10%) of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

6. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Buildings RM	Motor vehicles RM	Renovation, electrical and fittings RM	Plant and machinery RM	Equipment, furniture and fittings RM	Computer and software RM	Work-in-progress RM	Total RM
Carrying amount								
At 1 July 2024	34,069,188	1,190,290	7,096,136	28,419,698	677,346	857,240	318,324	72,628,222
Additions	8,446,324	618,000	3,161,168	24,589,101	193,274	155,977	1,570,288	38,734,132
Depreciation charge for the financial year	(837,208)	(530,527)	(1,445,144)	(7,560,743)	(130,086)	(282,155)	-	(10,785,863)
Disposals	-	(1)	-	(2)	-	-	-	(3)
Written off	-	(2)	(45)	(98,709)	(58)	-	-	(98,814)
Cost adjustment*	-	(2,751)	-	-	-	-	-	(2,751)
Transferred from investment properties	11,528,027	-	-	-	-	-	-	11,528,027
Transferred from/(to) right-of-use assets	-	146,921	-	838,033	-	-	(73,274)	911,680
At 30 June 2025	53,206,331	1,421,930	8,812,115	46,187,378	740,476	731,062	1,815,338	112,914,630
2024								
Carrying amount								
At 1 July 2023	26,923,833	893,236	5,155,491	26,891,484	628,252	555,012	6,615,103	67,662,411
Additions	1,245,224	590,120	3,000,133	7,352,011	176,153	646,414	318,324	13,328,379
Depreciation charge for the financial year	(714,972)	(382,282)	(1,059,255)	(5,966,752)	(126,826)	(344,021)	-	(8,594,108)
Disposals	-	(1)	-	-	(1)	-	-	(2)
Written off	-	-	(233)	(417)	(232)	(165)	-	(1,047)
Reclassification	6,615,103	-	-	-	-	-	(6,615,103)	-
Transferred from right-of-use assets	-	89,217	-	143,372	-	-	-	232,589
At 30 June 2024	34,069,188	1,190,290	7,096,136	28,419,698	677,346	857,240	318,324	72,628,222

** Cost adjustment was made to correct overstatement of motor vehicles in prior year*

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

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

Group 2025	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings	57,959,218	(4,752,887)	53,206,331
Motor vehicles	11,413,427	(9,991,497)	1,421,930
Renovation, electrical and fittings	14,709,537	(5,897,422)	8,812,115
Plant and machinery	101,006,175	(54,818,797)	46,187,378
Equipment, furniture and fittings	1,487,962	(747,486)	740,476
Computer and software	2,183,092	(1,452,030)	731,062
Work-in-progress	1,815,338	-	1,815,338
	190,574,749	(77,660,119)	112,914,630
2024			
Buildings	37,675,562	(3,606,374)	34,069,188
Motor vehicles	9,315,307	(8,125,017)	1,190,290
Renovation, electrical and fittings	12,404,269	(5,308,133)	7,096,136
Plant and machinery	82,585,252	(54,165,554)	28,419,698
Equipment, furniture and fittings	1,473,105	(795,759)	677,346
Computer and software	2,027,115	(1,169,875)	857,240
Work-in-progress	318,324	-	318,324
	145,798,934	(73,170,712)	72,628,222

(a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

(b) Depreciation on property, plant and equipment is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Motor vehicles	20%
Renovation, electrical and fittings	10% - 20%
Plant and machinery	15%
Equipment, furniture and fittings	10% - 15%
Computer and software	20%

Work-in-progress are not depreciated as these assets are not yet available for use.

(c) As at the end of the reporting periods, buildings and plant and machinery with carrying amounts of RM32,891,739 (2024: RM34,041,970) and RM10,149,225 (2024: RM 13,327,180) respectively of the Group were charged to financial institutions for banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

2025	Long term leasehold land RM	Buildings RM	Motor vehicles RM	Plant and machinery RM	Total RM
Carrying amounts					
At 1 July 2024	47,422,105	5,752	4,696,041	1,418,141	53,542,039
Additions	3,522,286	-	-	-	3,522,286
Depreciation charge for the financial year	(181,078)	(5,752)	(1,203,459)	(501,393)	(1,891,682)
Transferred from investment properties	9,833,778	-	-	-	9,833,778
Transferred from/(to) property, plant and equipment	73,274	-	(146,921)	(838,033)	(911,680)
At 30 June 2025	60,670,365	-	3,345,661	78,715	64,094,741

2024					
Carrying amounts					
At 1 July 2023	24,507,403	136,469	2,394,659	2,622,737	29,661,268
Additions	23,043,265	-	3,415,193	-	26,458,458
Depreciation charge for the financial year	(128,563)	(26,871)	(1,024,594)	(1,061,224)	(2,241,252)
Reclassification to property, plant and equipment	-	-	(89,217)	(143,372)	(232,589)
Lease termination	-	(103,846)	-	-	(103,846)
At 30 June 2024	47,422,105	5,752	4,696,041	1,418,141	53,542,039

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee

Lease liabilities

2025	Buildings RM	Motor vehicles RM	Plant and machinery RM	Total RM
Carrying amount				
At 1 July 2024	5,889	3,817,097	707,947	4,530,933
Addition	-	570,197	-	570,197
Lease payments	(6,000)	(730,593)	(698,783)	(1,435,376)
Interest expense	111	179,862	80,172	260,145
At 30 June 2025	-	3,836,563	89,336	3,925,899

2024				
Carrying amount				
At 1 July 2023	146,511	2,036,317	1,708,932	3,891,760
Additions	-	2,502,803	-	2,502,803
Lease payments	(29,700)	(814,718)	(1,063,271)	(1,907,689)
Interest expense	2,040	92,695	62,286	157,021
Lease termination	(112,962)	-	-	(112,962)
At 30 June 2024	5,889	3,817,097	707,947	4,530,933

	Group	
	2025 RM	2024 RM
Represented by:		
Non-current liabilities	3,122,535	3,383,960
Current liabilities	803,364	1,146,973
	3,925,899	4,530,933
Lease liabilities owing to:		
-financial institutions	3,836,563	4,416,228
-non-financial institutions	89,336	114,705
	3,925,899	4,530,933

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(a) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

(b) Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Long term leasehold land	80 - 999 years
Buildings	5 years
Motor vehicles	5 years
Plant and machinery	6 - 7 years

(c) The Group has made upfront payments to secure the right-of-use of long term leasehold land at the location which it operates. The periodic rent of building leases is to be reset periodically to market rental rates. The periodic rent is fixed over the lease term. The Group also leases certain items of plant and machinery and motor vehicles. These leases comprise only fixed payments over the lease term.

(d) The Group has certain leases of buildings and motor vehicles with lease term of 12 months or less and low value leases of office equipment. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(e) During the financial years, the Group made the following cash payments to purchase right-of-use assets:

	2025 RM	2024 RM
Purchase of right-of-use assets	3,522,286	26,458,458
Financed by lease liabilities	(570,197)	(2,502,803)
Financed by term loan	(2,295,000)	(19,500,600)
Amount owing to a third party	-	(570,188)
Cash payments on purchase of right-of-use assets	657,089	3,884,867

(f) The following are the amounts recognised in profit or loss:

	Group	
	2025 RM	2024 RM
Included in cost of sales:		
Depreciation of right-of-use assets	1,366,727	1,473,564
Expenses relating to short-term lease	624	2,381
Included in selling and distribution expenses:		
Depreciation of right-of-use assets	443,311	730,612
Expenses relating to short-term lease	267,702	216,237
Expenses relating to leases of low-value assets	108,562	33,987
Included in finance costs:		
Interest expense on lease liabilities	260,145	157,021

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(f) The following are the amounts recognised in profit or loss (Cont'd):

	Group	
	2025	**2024**
	RM	**RM**
Included in administrative expenses:		
Depreciation of right-of-use assets	81,644	37,076
Expenses relating to short-term lease	2,050	9,000
Expenses relating to leases of low-value assets	14,890	12,050
Included in other operating income:		
Gain on lease termination	-	(9,116)
	2,545,655	2,662,812

(g) The following are total cash outflows for leases as a lessee:

	Group	
	2025	**2024**
	RM	**RM**
Included in net cash from/(used in) operating activities:		
Payment relating to short-term leases	270,376	227,618
Payment relating to low-value assets	123,452	46,037
Included in net cash from/(used in) financing activities:		
Repayments of lease liabilities	1,179,862	1,758,086
Total cash outflows for leases	1,573,690	2,031,741

(h) Lease liabilities are denominated in Ringgit Malaysia.

(i) The long term leasehold land of the Group have been pledged to financial institutions for banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

(j) Information of financial risks of the lease liabilities were disclosed in Note 29 to the financial statements.

(k) Sensitivity analysis of interest rate risk for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

8. INVESTMENT PROPERTIES

	Long term leasehold land RM	Buildings RM	Total RM
2025			
Carrying amount			
At 1 July 2024	9,925,210	11,685,859	21,611,069
Depreciation charge for the financial year	(91,432)	(157,832)	(249,264)
Transferred to property, plant and equipment	-	(11,528,027)	(11,528,027)
Transferred to right-of-use assets	(9,833,778)	-	(9,833,778)
At 30 June 2025	-	-	-
2024			
Carrying amount			
At 1 July 2023	-	-	-
Additions	10,011,318	11,837,332	21,848,650
Depreciation charge for the financial year	(86,108)1	(151,473)	(237,581)
At 30 June 2024	9,925,210	11,685,859	21,611,069

Represented by:

	Cost RM	Accumulated depreciation RM	Total RM
2024			
Long term leasehold land	10,011,318	(86,108)	9,925,210
Buildings	11,837,332	(151,473)	11,685,859
	21,848,650	(237,581)	21,611,069

At fair value	
Long term leasehold land and buildings	25,890,299

(a) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM840,000 (2024: RM754,615).

(b) Direct operating expenses from investment properties which generated rental income to the Group during the financial year amounted to RM 119,251 (2024: RM79,570).

(c) In the previous financial year, fair value of investment properties for disclosure purposes, which were at Level 3 fair value, were recommended by Directors as at end of the reporting period based on indicative market value of similar properties in the vicinity on a price per square foot basis.

(d) During the financial year, the Group transferred the investment properties to property, plant and equipment and right-of-use assets respectively due to change in use of the properties from generating rental income to own use.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

8. INVESTMENT PROPERTIES (CONT'D)

(e) In the previous financial year, the fair value of the investment properties reflected the highest and best use of the said properties should the investment properties be disposed.

(f) As at the end of the previous reporting period, the investment properties were charged to financial institutions for banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

(g) During the previous financial year, the Group made the following cash payments to purchase investment properties:

	2024 RM
Purchase of investment properties	21,848,650
Financed by term loan	(16,830,000)
Cash payments on purchase of investment properties	5,018,650

9. INVESTMENTS IN SUBSIDIARIES

	Company 2025 RM
Unquoted equity shares, at cost:	93,904,000

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Life Water Industries Sdn. Bhd.	Malaysia	100.00	-	Manufacture of drinking water, carbonated drinks and other drinks, PET containers, preforms, caps and related products.
Green Borneo Industries Sdn. Bhd.	Malaysia	100.00	-	Manufacture of drinking water.
Life Water Marketing Sdn. Bhd.	Malaysia	100.00	-	Sales and marketing of drinking water, carbonated drinks and other drinks, PET containers and related products.
Syarikat Maju Sasa Sdn. Bhd. *	Malaysia	100.00	-	Sales of drinking water, carbonated drinks, juice drinks and PET containers.
Syarikat Rasa Kool Sdn. Bhd. *	Malaysia	100.00	-	Sales of drinking water, carbonated drinks, juice drinks and PET containers.
K2 Water Sdn. Bhd.	Malaysia	100.00	-	Provision of leasing service of motor vehicles.
Cyplast Industries Sdn. Bhd.	Malaysia	100.00	-	Collection of recyclable materials.

* *The subsidiaries have ceased business in financial year ended 2023.*

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

9. INVESTMENTS IN SUBSIDIARIES

All subsidiaries of the Company are audited by BDO PLT.

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) The acquisitions of the subsidiaries have been accounted for as a business combination amongst entities under common control. Accordingly, the financial statements of Life Water Berhad have been consolidated using the merger method of accounting.

Under merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer.

(c) On 25 September 2024, the Company has acquired the entire equity interest of Life Water Industries Sdn. Bhd. for a total consideration of RM50.92 million, which was fully satisfied by the issuance of 203,690,960 new shares at an issue price of RM0.25 each.

(d) On 25 September 2024, the Company has acquired the entire equity interest of Green Borneo Industries Sdn. Bhd. for a total consideration of RM22.82 million, which was fully satisfied by the issuance of 91,298,280 new shares at an issue price of RM0.25 each.

(e) On 25 September 2024, the Company has acquired the entire equity interest of Life Water Marketing Sdn. Bhd. for a total consideration of RM12.66 million, which was fully satisfied by the issuance of 50,623,796 new shares at an issue price of RM0.25 each.

(f) On 25 September 2024, the Company has acquired the entire equity interest of Syarikat Maju Sasa Sdn. Bhd. for a total consideration of RM2.36 million, which was fully satisfied by the issuance of 9,454,172 new shares at an issue price of RM0.25 each.

(g) On 25 September 2024, the Company has acquired the entire equity interest of Syarikat Rasa Kool Sdn. Bhd. for a total consideration of RM3.68 million, which was fully satisfied by the issuance of 14,730,020 new shares at an issue price of RM0.25 each.

(h) On 25 September 2024, the Company has acquired the entire equity interest of K2 Water Sdn. Bhd. for a total consideration of RM1.42 million, which was fully satisfied by the issuance of 5,693,900 new shares at an issue price of RM0.25 each.

(i) On 25 September 2024, the Company has acquired the entire equity interest of Cyplast Industries Sdn. Bhd. for a total consideration of RM0.03 million, which was fully satisfied by the issuance of 124,872 new shares at an issue price of RM0.25 each.

(j) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets of the respective subsidiaries.

During the financial year, the Company assessed the recoverable amounts of the investments in subsidiaries. No impairment losses were recognised as the amounts are negligible.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

10. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	25,086,810	16,031,991
Finished goods	2,496,843	982,699
Consumable and parts	3,818,538	3,060,128
Stock-in-transit	3,495,475	-
Others	685,566	565,789
	35,583,232	20,640,607

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

(b) Cost is determined on a weighted average basis and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

(c) During the financial year, inventories of the Group recognised as cost of sales amounted to RM92,395,332 (2024: RM86,516,872).

(d) The Group had written off its inventories amounted to RM224,386 (2024: RM266,924) that were included in cost of sales.

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables					
Third parties	(b)	16,857,155	16,260,008	-	-
Less: Impairment losses	(f)	(192,842)	(375,622)	-	-
Total trade receivables		16,664,313	15,884,386	-	-
Other receivables					
Amount owing by a subsidiary	(c)	-	-	68,902	-
Other receivables		521,586	1,286,589	-	-
Deposits		4,298,597	4,350,971	1,366,151	500
Total other receivables		4,820,183	5,637,560	1,435,053	500
Prepayments		1,665,742	1,472,601	11,942	-
Total trade and other receivables		23,150,238	22,994,547	1,446,995	500

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade and other receivables, excluding prepayments are classified as financial assets and measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 days to 90 days (2024: 7 days to 90 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(c) Amount owing by a subsidiary represents payments made on behalf, which is interest-free, unsecured and payable within next twelve (12) months or upon demand in cash and cash equivalents.

(d) As at the end of each reporting period, no collateral has been obtained by the Group.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

(e) Recognition and measurement of impairment loss

The Group applies the simplified approach to measure expected credit loss ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables that do not contain a significant financing component.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers based on grouping of customers sharing the same credit risk characteristics and past due days. Expected loss rates are calculated using the roll rate method. The expected loss rates are based on the Group's historical credit losses experience over the three (3) years period prior to the period end.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward-looking information (gross domestic product ("GDP"), inflation rate and overnight policy rate ("OPR")) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Significant judgement is required in determining the probability of default by trade receivables, and the appropriate forward-looking information.

Impairment for other financial assets is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the other financial assets. For those in which the credit risk has not increased significantly since initial recognition of the other financial assets, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for other financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Recognition and measurement of impairment loss (Cont'd)

The probability of non-payment by other financial assets is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(f) The reconciliation of movements in the impairment losses for trade receivables is as follows:

	2025 RM	2024 RM
Balance as at 1 July	375,622	407,094
Charge for the financial year	-	9,391
Reversal of impairment losses	(182,780)	(40,863)
Balance as at 30 June	192,842	375,622

(g) No expected credit loss is recognised arising from other receivables as the amount is negligible.

(h) The currency exposure profile of trade and other receivables, excluding prepayments are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	20,989,523	19,015,618	1,435,053	500
Chinese Yuan	117,938	488,781	-	-
United States Dollar	377,035	2,017,547	-	-
	21,484,496	21,521,946	1,435,053	500

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) The ageing analysis of trade receivables of the Group are as follows:

Group 2025	Gross carrying amount RM	Total allowance RM	Net carrying amount RM
Collective assessment			
Not past due	16,216,632	(5,545)	16,211,087
Past due			
1 to 30 days	365,430	(243)	365,187
31 to 60 days	76,348	(238)	76,110
61 to 90 days	22,375	(10,446)	11,929
More than 90 days	176,370	(176,370)	-
	640,523	(187,297)	453,226
	16,857,155	(192,842)	16,664,313
2024			
Collective assessment			
Not past due	15,369,972	(2,475)	15,367,497
Past due			
1 to 30 days	363,816	(2,602)	361,214
31 to 60 days	132,861	(3,080)	129,781
61 to 90 days	20,398	(2,814)	17,584
More than 90 days	372,961	(364,651)	8,310
	890,036	(373,147)	516,889
	16,260,008	(375,622)	15,884,386

(j) Information on financial risks of trade and other receivables is disclosed in Note 29 to the financial statements.

12. SHORT TERM FUNDS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value through profit or loss				
Short term funds	73,089,190	33,495,902	47,622,991	-

(a) Short term funds are investment in income trust fund in Malaysia. The trust fund invests in highly liquid asset which is readily convertible to known amount of cash with insignificant changes in value.

(b) Short term funds are classified as a financial asset measured at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value of short term funds is measured based on the month end market price in active market and was categorised within Level 1 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

12. SHORT TERM FUNDS (CONT'D)

(c) Short term funds of the Group and of the Company are denominated in Ringgit Malaysia.

(d) Information on financial risks of short term funds is disclosed in Note 29 to the financial statements.

13. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash on hand	40,090	52,923	100	100
Cash at banks	20,959,910	14,735,269	9,747,342	89,668
Fixed deposits with licensed banks	1,724,513	1,678,267	-	-
	22,724,513	16,466,459	9,747,442	89,768

(a) Cash and bank balances are classified as financial assets and measured at amortised cost.

(b) The currency exposure profile of the cash and bank balances are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	22,722,721	16,464,643	9,747,442	89,768
United States Dollar	1,792	1,816	-	-
	22,724,513	16,466,459	9,747,442	89,768

(c) No expected credit losses were recognised arising from the bank balances and deposits with financial institutions because the probability of default by these financial institutions are negligible.

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances		21,000,000	14,788,192	9,747,442	89,768
Fixed deposits with licensed banks		1,724,513	1,678,267	-	-
		22,724,513	16,466,459	9,747,442	89,768
Less:					
Bank overdraft included in borrowings	17	-	(45,091)	-	-
Fixed deposits pledged		(1,724,513)	(1,678,267)	-	-
Total cash and cash equivalents		21,000,000	14,743,101	9,747,442	89,768

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

13. CASH AND BANK BALANCES (CONT'D)

(e) Information on financial risks of cash and bank balances is disclosed in Note 29 to the financial statements.

(f) As at the end of the reporting period, the fixed deposits were charged to financial institutions for banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

14. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares	RM	Number of shares	RM
Issued and fully paid with no par value				
Balance as at 1 July	500	100	500	100
Issued for the acquisition of subsidiaries	375,616,000	93,904,000	-	-
Issued during the financial year	97,563,000	63,415,950	-	-
Listing expenses attributable to the initial public offering	-	(2,700,000)	-	-
Balance as at 30 June	473,179,500	154,620,050	500	100

(a) On 25 September 2024, the Company increased its issued and paid-up share capital from RM100 to RM93,904,100 by way of issuance of 375,616,000 new ordinary shares for a total consideration of RM93,904,000 as full payment for the acquisitions of the aggregate net assets of subsidiaries.

(b) On 11 November 2024, the Company issued 97,563,000 new ordinary shares at an issue price of RM0.65 per ordinary share for a total consideration of RM63,415,950 in conjunction with the initial public offering and listing of the Company on Bursa Malaysia Securities Berhad.

(c) The newly issued ordinary shares ranked equally in all respects with the existing ordinary shares of the Company. There were no other issuance of shares during the financial year.

(d) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at general meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. MERGER RESERVE

The merger reserve arose as a result of the excess of the consideration paid over the share capital of the subsidiaries pursuant to the internal reorganisation exercise for the purpose of the Company's listing on Main Market of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

16. DIVIDENDS PAID BY SUBSIDIARIES

	2025 RM	2024 RM
In respect of the financial year ended 30 June 2024:		
Interim single tier dividend of RM0.29 per ordinary share, paid on 15 July 2024	1,200,000	-
Interim single tier dividend of RM12.00 per ordinary share, paid on 15 July 2024	1,200,000	-
Interim single tier dividend of RM1.00 per ordinary sharet, paid on 15 July 2024	200,000	-
Interim single tier dividend of RM1.00 per ordinary share, paid on 15 July 2024	200,000	-
Interim single tier dividend of RM0.53 per ordinary share, paid on 17 July 2024	1,000,000	-
Interim single tier dividend of RM2.00 per ordinary share, paid on 17 July 2024	200,000	-
	4,000,000	-

The dividends were proposed, declared and paid by subsidiaries before the Company acquired the entire equity interest of the subsidiaries on 25 September 2024.

On 25 August 2025, the Group declared an interim single tier dividend of approximately 1.59 sen per ordinary share amounted to RM7,523,554 in respect of the financial year ended 30 June 2025, which will be payable on 13 November 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2026.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

17. BORROWINGS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current liabilities				
Term loans	81,853,053	84,634,923	-	-
Current liabilities				
Term loans	6,283,325	7,327,801	-	-
Banker's acceptances	14,825,847	11,328,473	-	-
Bank overdraft	-	45,091	-	-
Financial guarantee	-	-	*	*
	21,109,172	18,701,365	*	*
Total borrowings	102,962,225	103,336,288	*	*

** Amounts are negligible*

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

17. BORROWINGS

(a) Borrowings are classified as financial liabilities and measured at amortised cost.

(b) Term loans of the Group are secured by:

(i) legal charges over the long term leasehold land, buildings and plant and machinery of the Group as disclosed in Notes 6, 7 and 8 to the financial statements respectively;
(ii) corporate guarantee by Life Water Berhad; and
(iii) fixed deposits as disclosed in Note 13 to the financial statements.

(c) In the previous financial year, bank overdraft of the Group was secured by:

(i) legal charges over the buildings of the Group as disclosed in Note 6 to the financial statements;
(ii) several and joint guarantee by Directors; and
(iii) fixed deposits as disclosed in Note 13 to the financial statements.

(d) Banker's acceptances of the Group are secured by:

(i) legal charges over the long term leasehold land, buildings and plant and machinery of the Group as disclosed in Notes 6, 7 and 8 to the financial statements respectively;
(ii) corporate guarantee by Life Water Berhad; and
(iii) fixed deposits as disclosed in Note 13 to the financial statements.

(e) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

(i) the amount of the loss allowance; and
(ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers.*

The financial guarantee contracts have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

(f) Borrowings of the Group are dominated in Ringgit Malaysia.

(g) Information of financial risks of borrowings is disclosed in Note 29 to the financial statements.

18. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group	
	2025 RM	**2024 RM**
As at beginning of the financial year	3,745,408	485,022
Recognised in profit or loss (Note 25)	1,007,506	3,260,386
As at end of the financial year	4,752,914	3,745,408
Presented after appropriate offsetting:		
Deferred tax liabilities	4,932,661	3,818,197
Deferred tax assets	(179,747)	(72,789)
	4,752,914	3,745,408

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

18. DEFERRED TAX LIABILITIES (CONT'D)

(b) The components and movements of deferred tax liabilities and assets during the financial years prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM	Other deductible temporary differences RM	Offsetting RM	Total RM
As at 1 July 2023	3,882,615	47,674	(3,356,477)	573,812
Recognised in profit or loss	37,656	(4,618)	3,211,347	3,244,385
As at 30 June/1 July 2024	3,920,271	43,056	(145,130)	3,818,197
Recognised in profit or loss	2,147,755	(4,373)	(1,028,918)	1,114,464
As at 30 June 2025	6,068,026	38,683	(1,174,048)	4,932,661

Deferred tax assets

	Unabsorbed-reinvestment allowances RM	Other deductible temporary differences RM	Offsetting RM	Total RM
As at 1 July 2023	(3,284,412)	(160,855)	3,356,477	(88,790)
Recognised in profit or loss	3,237,109	(9,761)	(3,211,347)	16,001
As at 30 June/1 July 2024	(47,303)	(170,616)	145,130	(72,789)
Recognised in profit or loss	(1,007,963)	(127,913)	1,028,918	(106,958)
As at 30 June 2025	(1,055,266)	(298,529)	1,174,048	(179,747)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2025 RM	2024 RM
Unabsorbed tax losses, gross		
-Expires by 30 June 2034	30,207	30,207
-Expires by 30 June 2035	61,360	-
	91,567	30,207

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

18. DEFERRED TAX LIABILITIES (CONT'D)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows (Cont'd):

Deferred tax assets of a subsidiary have not been recognised in respect of unabsorbed tax losses as it is not probable that taxable profit of the subsidiary would be available against which the unabsorbed tax losses could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority. Unutilised tax losses of the subsidiary incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

19. TRADE AND OTHER PAYABLES

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Trade payables					
Third parties	(b)	3,456,857	2,236,826	-	-
Other payables					
Third parties		5,631,405	3,650,641	42,404	1,088
Accruals		4,971,085	2,429,866	56,000	25,175
Amount owing to a related party	(c)	-	-	-	1,728,809
Government grants		408,388	573,000	-	-
		11,010,878	6,653,507	98,404	1,755,072
Total trade and other payables		14,467,735	8,890,333	98,404	1,755,072

(a) Trade and other payables are classified as financial liabilities and measured at amortised cost.

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 60 to 90 days (2024: 7 to 90 days).

(c) In the previous financial year, non-trade amount owing to a related party represented advances, which was unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.

(d) The currency exposure profile of the trade and other payables are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Ringgit Malaysia	12,754,766	8,362,850	98,404	1,755,072
Chinese Yuan	112,169	-	-	-
United States Dollar	1,600,800	527,483	-	-
	14,467,735	8,890,333	98,404	1,755,072

(e) Information on financial risks of trade and other payables is disclosed in Note 29 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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20. REFUND LIABILITIES AND RETURN ASSETS

	Group	
	2025 RM	2024 RM
Refund liabilities	158,034	193,047
Return assets	130,593	148,811

Return assets represent the value of the corresponding goods expected to be returned. Refund liabilities represent the expected variable consideration for rebates and refunds.

The Group estimates variable considerations to be included in the transaction price for the sale of drinking water and aerated beverages with rebates.

The Group used the historical rebates and refunds entitlement of customers to determine the expected variable consideration. Any significant changes in experience as compared to historical patterns will impact the expected rebate and refunds estimated by the Group.

21. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers:				
- Sales of finished goods	172,977,023	166,532,194	-	-
Timing of revenue recognition:				
Transferred at a point in time	172,977,023	166,532,194	-	-

Revenue from sale of finished goods is recognised at point in time when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with discounts.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated discounts. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognised a contract liability for the expected refund and rebate payable to customer as a refund liability and corresponding expected goods to be returned as a return asset.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained, and its estimate of refund liability. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

There is no significant financing component in the revenue as the revenue is made on the normal credit terms not exceeding twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS
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22. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration:				
Statutory audit				
- Current year	161,000	114,000	53,000	3,000
Non-statutory audit	3,000	-	3,000	-
Bad debts written off	106,201	92,696	-	-
Interest expense on:				
- banker's acceptances	547,709	350,901	-	-
- term loans	3,854,972	2,975,522	-	-
- lease liabilities	260,145	157,021	-	-
	4,662,826	3,483,444	-	-
Realised loss on foreign exchange	24,467	7,662	-	-
And crediting:				
Amortisation of government grant	(145,312)	(145,312)	-	-
Bad debts recovered	(2,000)	(200)	-	-
Gain on disposal of property, plant and equipment	(42,023)	(15,010)	-	-
Interest income	(1,589,168)	(740,934)	(652,709)	-
Fair value gain on short term funds	(1,059,543)	(133,485)	(625,816)	-

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

23. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees, salaries, wages, allowances, commission, overtime and bonus	27,473,745	24,335,010	406,000	133,500
Defined contribution plan	2,966,115	2,566,855	-	-
Social security contribution	342,528	287,322	-	-
Other employee benefits	363,345	271,355	37,427	-
	31,145,733	27,460,542	443,427	133,500

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM7,639,224 (2024: RM7,900,722) and RM406,000 (2024: RM133,500) respectively.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

24. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company:				
Fees	390,000	609,500	390,000	129,500
Short term employee benefits	6,471,500	6,492,800	16,000	4,000
Defined contribution plan	770,880	781,430	-	-
Social security contribution	6,844	16,992	-	-
	7,639,224	7,900,722	406,000	133,500

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group amounted to RM34,500 (2024: RM41,000).

25. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year	3,612,282	4,939,034	-	-
Under-provision in prior years	383,709	233,223	-	-
	3,995,991	5,172,257	-	-
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	485,721	3,720,538	-	-
Under/(over)-provision in prior years	521,785	(460,152)	-	-
	1,007,506	3,260,386	-	-
	5,003,497	8,432,643	-	-

(a) Malaysian corporate income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profits for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

25. TAX EXPENSE (CONT'D)

(b) Numerical reconciliation between the tax expense and the product of accounting profit/(loss) before tax multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Profit/(Loss) before tax	35,025,305	36,553,254	(332,122)	(1,654,657)
Tax at the Malaysian statutory tax rate of 24% (2024: 24%)	8,406,073	8,772,781	(79,709)	(397,118)
Tax effects in respect of:				
Effect of income subject to lower tax rates	(45,000)	(34,199)	-	-
Non-allowable expenses	896,244	803,515	108,987	397,118
Non-taxable income	(416,783)	(226,532)	(29,278)	-
Deferred tax assets not recognised	14,726	-	-	-
Utilisation of tax incentives	(4,757,257)	(655,993)	-	-
	4,098,003	8,659,572	-	-
Under/(over)-provision in prior years				
- Current tax	383,709	233,223	-	-
- Deferred tax	521,785	(460,152)	-	-
	5,003,497	8,432,643	-	-

26. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the consolidated profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	**2024**
Profit for the financial year attributable to ordinary equity holders of the parent (RM)	30,021,808	28,120,611
Weighted average number of ordinary shares in issue	347,831,342	6,700,600
Basic earnings per ordinary share (RM)	0.09	4.20
Number of shares upon completion of the Listing	473,179,500	473,179,500
Basic earnings per ordinary share (RM)	0.06	0.06

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

26. EARNINGS PER SHARE (CONT'D)

(b) Diluted

The diluted earnings per share equal basic earnings per ordinary share because there are no potential dilutive instruments in existence as at the end of the reporting period.

27. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

The Company has related party relationship with its subsidiaries, and companies which Directors have substantial direct/indirect financial interests.

(b) During the financial years, the Group had no material transactions with related parties.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees	390,000	609,500	390,000	129,500
Short term employees benefits	7,332,016	7,281,185	16,000	4,000
Defined contribution plan	873,431	876,050	-	-
Social security contribution	10,846	20,469	-	-
	8,606,293	8,787,204	406,000	133,500

The estimated monetary value of benefits-in-kind received by the key management personnel other than in cash from the Group amounted to RM41,000 (2024: RM47,500).

28. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged throughout the reporting periods.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2025 and 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS
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28. FINANCIAL INSTRUMENTS

(a) Capital management

The Group monitors capital using a gearing ratio, which is total external borrowings divided by net tangible worth. The Group's policy is to maintain the gearing ratio at manageable level. The Group includes within total external borrowings, total borrowings and lease liabilities owing to financial institutions. Net tangible worth represents the total equity of the Group.

	Group	
	2025	**2024**
	RM	**RM**
Borrowings (Note 17)	102,962,225	103,336,288
Lease liabilities owing to financial institutions	3,836,563	4,416,228
Total external borrowings	106,798,788	107,752,516
Net tangible worth	208,752,415	122,014,657
Gearing ratio	0.51	0.88

The gearing ratio for the Company is not presented as the Company does not have borrowings as at the end of the reporting period.

The Group is subject to externally imposed capital requirement of gearing ratio range from 2.5 times to 4.0 times.

The Group has complied with the externally imposed capital requirement as at the end of the reporting period.

Pursuant to the requirements of Practice Note No.17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement during the financial year ended 30 June 2025..

(b) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

Short term funds

The fair value of short term funds is measured based on the month end market price in active market.

Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, cash and bank balances, trade and other payables, short term borrowings and short term lease liabilities are reasonable approximation of fair values due to their short-term nature or they are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of the non-current borrowings and lease liabilities are estimated based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments and of the same remaining maturities.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the financial instrument carried at fair value and carrying amount shown in the statements of financial position:

	Fair value of financial instrument carried at fair value				
Group 2025	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total fair value RM**	**Carrying amount RM**
Financial asset					
Fair value through profit or loss					
- Short term funds	73,089,190	-	-	73,089,190	73,089,190
2024					
Financial asset					
Fair value through profit or loss					
- Short term funds	33,495,902	-	-	33,495,902	33,495,902

Company 2025	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total fair value RM**	**Carrying amount RM**
Financial asset					
Fair value through profit or loss					
- Short term funds	47,622,991	-	-	47,622,991	47,622,991

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for the shareholders whilst minimising the potential adverse impact arising on its financial performance and position.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk.

Information on the management of the related exposures is detailed below.

(i) Credit risk

Trade receivables and cash and bank balances may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable financial institutions and organisations. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of seven (7) days, extending up to ninety (90) days. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

As at the end of each reporting period, the Group and the Company do not have any significant concentration of credit risk related to any individual customer or counterparty.

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group is actively managing its operating cash flows to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(ii) Liquidity and cash flow risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Group **As at 30 June 2025**	**On demand or within one year** **RM**	**One to five years** **RM**	**Over five years** **RM**	**Total** **RM**
Financial liabilities				
Trade and other payables	14,467,735	-	-	14,467,735
Borrowings	24,779,785	37,115,268	76,324,069	138,219,122
Lease liabilities	950,958	2,900,165	528,854	4,379,977
Total undiscounted financial liabilities	40,198,478	40,015,433	76,852,923	157,066,834
As at 30 June 2024				
Financial liabilities				
Trade and other payables	8,890,333	-	-	8,890,333
Borrowings	22,505,299	39,189,494	77,954,954	139,649,747
Lease liabilities	1,345,374	3,213,243	683,655	5,242,272
Total undiscounted financial liabilities	32,741,006	42,402,737	78,638,609	153,782,352

Company **As at 30 June 2025**	**RM**	**RM**	**RM**	**RM**
Financial liabilities				
Other payables	98,404	-	-	98,404
Financial guarantee contracts	19,434,062	39,883,623	76,852,922	136,170,607
Total undiscounted financial liabilities	19,532,466	39,883,623	76,852,922	136,269,011
As at 30 June 2024				
Financial liabilities				
Other payables/Total undiscounted financial liabilities	1,755,072	-	-	1,755,072

(iii) Interest rate risk

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

The exposure of the Group to interest rate risk arises primarily from its fixed deposits with licensed banks, short term funds, lease liabilities and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

NOTES TO THE FINANCIAL STATEMENTS
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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Interest rate risk (Cont'd)

Exposure to interest rate risk

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

Group	**WAEIR %**	**Within 1 year RM**	**1 - 2 years RM**	**2 - 5 years RM**	**More than 5 years RM**	**Total RM**
At 30 June 2025						
Financial assets						
Fixed rate instrument						
Fixed deposits with licensed banks	2.51	1,724,513	-	-	-	1,724,513
Floating rate instrument						
Short term funds	1.81	73,089,190	-	-	-	73,089,190
Financial liabilities						
Fixed rate instruments						
Lease liabilities	3.75	803,364	665,754	1,938,353	518,428	3,925,899
Borrowings	4.02	18,313,137	4,361,438	9,957,305	20,022,707	52,654,587
		19,116,490	5,027,192	11,895,669	20,541,135	56,580,486
Floating rate instruments						
Borrowings	4.34	2,796,035	2,514,540	8,233,287	36,763,776	50,307,638
At 30 June 2024						
Financial assets						
Fixed rate instrument						
Fixed deposits with licensed banks	2.75	1,678,267	-	-	-	1,678,267
Floating rate instrument						
Short term funds	2.35	33,495,902	-	-	-	33,495,902
Financial liabilities						
Fixed rate instruments						
Lease liabilities	3.59	1,146,973	787,557	1,961,700	634,703	4,530,933
Borrowings	4.02	15,768,845	5,141,569	11,044,144	20,500,716	52,455,274
		16,915,818	5,929,126	13,005,844	21,135,419	56,986,207
Floating rate instruments						
Borrowings	4.35	2,932,520	2,739,979	8,006,835	37,201,680	50,881,014

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Interest rate risk (Cont'd)

Exposure to interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk (Cont'd):

Company At 30 June 2025	WAEIR %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
Financial assets						
Floating rate instrument						
Short term funds	1.40	47,622,991	-	-	-	47,622,991

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the profit/(loss) after tax and equity of the Group and of the Company to a reasonably possible increase in 100 basis points against interest rate of floating rate instrument, with all other variables held constant:

	Profit/(Loss) after tax/equity	
	2025 RM	2024 RM
Group		
Effects of 100 basis points changes to profit after tax/equity	173,140	(132,127)
Company		
Effects of 100 basis points changes to loss after tax/equity	(361,935)	-

A reasonably possible decrease in 100 basis points against the interest rate of the Group and of the Company at the end of the reporting period would have had equal but opposite effect to the amount shown above, on the basis that all other variables remained constant.

No sensitivity analysis for fixed rate instruments was presented as the change in market interest rate at the end of the reporting period would not affect profit or loss.

(iv) Foreign currency risk

The Group is exposed to transactional currency risk. Such exposures arise from deposits paid and purchase of raw materials and plant and machinery from Taiwan and China. These purchases are mainly invoiced in the United States Dollar ("USD") and Chinese Yuan ("CNY").

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Foreign currency risk (Cont'd)

The Group's exposures to foreign currency risk arising from foreign currency balances as at the end of the reporting period are represented by the following carrying amounts:

Group **2025**	**RM/CNY** **RM**	**RM/USD** **RM**	**Total** **RM**
Trade and other receivables	117,938	377,035	494,973
Cash and bank balances	-	1,792	1,792
Trade and other payables	(112,169)	(1,600,800)	(1,712,969)
	5,769	(1,221,973)	(1,216,204)
2024			
Trade and other receivables	488,781	2,017,547	2,506,328
Cash and bank balances	-	1,816	1,816
Trade and other payables	-	(527,483)	(527,483)
	488,781	1,491,880	1,980,661

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax and equity for a 5% (2024: 5%) strengthening of the following functional currency of the Group against the respective foreign currency, with all other variables held constant.

	Profit after tax/equity	
	2025 **RM**	**2024** **RM**
RM/CNY	(219)	(18,574)
RM/USD	46,435	(56,691)
	46,216	(75,265)

A 5% weakening of the functional currency of the Group against the above foreign currency at the end of the reporting period would have had equal but opposite effect to the amount shown above, on the basis that all other variables remained constant.

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30. CAPITAL COMMITMENT

The Group's capital commitment at the end of each reporting period are as follows:

	Group	
	2025 RM	2024 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- Approved and contracted for	12,372,703	22,860,797
- Approved but not contracted for	58,206,000	-
	70,578,703	22,860,797

Analysed as follows:

Approved and contracted for		
Long term leasehold land	-	2,295,000
Buildings	6,612,537	-
Renovation, electrical and fittings	370,125	330,920
Plant and machinery	2,913,621	20,234,877
Motor vehicles	2,476,420	-
	12,372,703	22,860,797
Approved but not contracted for		
Buildings	53,600,000	-
Plant and machinery	4,606,000	-
	58,206,000	-

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Corporate restructuring

(i) On 25 September 2024, the Company has acquired the entire equity interest of Life Water Industries Sdn. Bhd. for a total consideration of RM50.92 million, which was fully satisfied by the issuance of 203,690,960 new shares at an issue price of RM0.25 each.

(ii) On 25 September 2024, the Company has acquired the entire equity interest of Green Borneo Industries Sdn. Bhd. for a total consideration of RM22.82 million, which was fully satisfied by the issuance of 91,298,280 new shares at an issue price of RM0.25 each.

(iii) On 25 September 2024, the Company has acquired the entire equity interest of Life Water Marketing Sdn. Bhd. for a total consideration of RM12.66 million, which was fully satisfied by the issuance of 50,623,796 new shares at an issue price of RM0.25 each.

(iv) On 25 September 2024, the Company has acquired the entire equity interest of Syarikat Maju Sasa Sdn. Bhd. for a total consideration of RM2.36 million, which was fully satisfied by the issuance of 9,454,172 new shares at an issue price of RM0.25 each.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) Corporate restructuring (Cont'd)

(v) On 25 September 2024, the Company has acquired the entire equity interest of Syarikat Rasa Kool Sdn. Bhd. for a total consideration of RM3.68 million, which was fully satisfied by the issuance of 14,730,020 new shares at an issue price of RM0.25 each.

(vi) On 25 September 2024, the Company has acquired the entire equity interest of K2 Water Sdn. Bhd. for a total consideration of RM1.42 million, which was fully satisfied by the issuance of 5,693,900 new shares at an issue price of RM0.25 each.

(vii) On 25 September 2024, the Company has acquired the entire equity interest of Cyplast Industries Sdn. Bhd. for a total consideration of RM0.03 million, which was fully satisfied by the issuance of 124,872 new shares at an issue price of RM0.25 each.

(b) Initial Public Offering ("IPO") and listing of the Company on Bursa Malaysia Securities Berhad

In conjunction with the Company's listing on the Main Market of Bursa Malaysia Securities Berhad, the Company issued its Prospectus for its IPO entailing the following:

(i) Public issue of 97,563,000 new shares ("Public Issue Shares") at an IPO price of RM0.65 per share in the following manner:

(a) 23,660,000 Public Issue Shares for application by the Malaysia Public;

(b) 14,195,000 Public Issue Shares for application by the Group's eligible Directors, employees and persons who have contributed to the success of the Group;

(c) 560,000 Public Issue Shares by way of private placement to selected investors; and

(d) 59,148,000 Public Issue Shares by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry.

(ii) Offer for sale of 28,390,000 existing shares by way of private placement to selected investors

Upon completion of the IPO, the Company was admitted to the Official List of Bursa Malaysia Securities Berhad and the Company's entire enlarged issued share capital of 473,179,500 shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 13 November 2024.

(c) On 28 May 2025, the Company entered into a Share Sale Agreement ("SSA") to acquire 100% equity interest in Twinine Sdn. Bhd., for a total cash consideration of RM10,500,000. Twinine Sdn. Bhd. is principally involved in the processing, supply, and retail of soya sauce, oyster sauce, chili paste, and tomato paste. The above SSA was completed on 1 July 2025.

32. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 2 September 2025, one of the subsidiaries, Life Water Industries Sdn. Bhd. entered into a sale and purchase agreement ("SPA") with a third party for the purchase of one (1) unit of light industrial building located at Lot 38, Kimbell Light Industrial Estate, held under CL No. 115385683, District of Lahad Datu, Sabah, for a total purchase consideration of RM850,000. The transaction was not completed as at reporting date.

LIST OF PROPERTIES

No.	Registered/ Beneficial owner	Location	Existing use	Tenure of land	Land area (sq. ft.)	Built-up area/ approx.age of building (sq.ft.)	Date of acquisition / last revaluation	Net book value as at 30.06.2025 (RM'000)
1.	Green Borneo Industries Sdn Bhd	Lot 9, Jalan 1F, KKIP Selatan, Industrial Zone 4, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah	One single storey factory building (with 2-storey office) One single storey warehouse building (with 2-storey office)	Leasehold expiring on 31.12.2110	43,560	32,412 / 16 years since 2009 27,505 / 2 years since 2023	21.12.2009	9,773
2.	Life Water Industries Sdn Bhd	CL075356375, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah	One single storey factory building (with 2-storey office)	Leasehold expiring on 09.07.2887	84,027	48,825 / 19 years	04.05.2006	4,223
3.	Life Water Industries Sdn Bhd	CL075356366, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah	One single storey factory building	Leasehold expiring on 09.07.2887	101,930	28,460 / 2 years	28.12.2009	13,627
4.	Life Water Industries Sdn Bhd	CL075323901, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah	One open sided single storey warehouse building	Leasehold expiring on 09.07.2887	76,143	46,962 / 22 years	26.11.2021	6,260
5.	Life Water Industries Sdn Bhd	CL075323894, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah	One single-storey office building	Leasehold expiring on 09.07.2887	155,509	4,311 /39 years	04.08.2022	5,617
6.	Life Water Industries Sdn Bhd	CL075099464, Batu 4, Jalan Lintas Sibuga, 90000 Sandakan, Sabah	Vacant land	Leasehold expiring on 31.12.2927	253,389	N/A	14.09.2022	4,497
7.	Life Water Industries Sdn Bhd	Lot 805, Jalan 7, KKIP Timur, Industrial Zone 8, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah	One single storey factory building (with 3 storey office) One single storey factory building One single storey cladding warehouse	Leasehold expiring on 31.12.2096	217,800	44,985 / 6 years 53,130 / 4 years 25,525 / 2 years	16.12.2014	23,745
8.	Life Water Industries Sdn Bhd	Lot 4, Borneo Commercial Centre, Jalan Masak, 89000 Keningau, Sabah	One detached single storey factory with mezzanine floor and office (plus warehouse)	Leasehold expiring on 31.12.2111	20,026	10,591 / 10 years	01.02.2021	2,537

LIST OF PROPERTIES

No.	Registered/ Beneficial owner	Location	Existing use	Tenure of land	Land area (sq. ft.)	Built-up area/ approx.age of building (sq.ft.)	Date of acquisition / last revaluation	Net book value as at 30.06.2025 (RM'000)
9.	Life Water Industries Sdn Bhd	Lot 5, Borneo Commercial Centre, Jalan Masak, 89000 Keningau, Sabah	One detached single storey warehouse with 2-storey office	Leasehold expiring on 31.12.2111	16,425	9,763 / 10 years	30.12.2019	3,655
10.	Life Water Industries Sdn Bhd	MDLD 3399, Lot 41, Kimbell Light Industrial Estate, Batu 2.5, Jalan Dam, Lahad Datu, Sabah	One semi-detached single-storey warehouse building with mezzanine floor	Leasehold expiring on 17.12.2933	6,226	4,842 / 32 years	24.01.2008	696
11.	Life Water Industries Sdn Bhd	MDLD 3381, Lot 23, Kimbell Light Industrial Estate, Batu 2.5, Jalan Dam, Lahad Datu, Sabah	One single storey semi-detached light industrial building with mezzanine floor	Leasehold expiring on 17.12.2933	6,237	5,137 / 32 years	01.03.2021	944
12.	Green Borneo Industries Sdn Bhd	Lot 49, Jalan 1H, KKIP Selatan, Industrial Zone 2, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah	One single storey warehouse building	Leasehold expiring on 31.12.2096	95,153	52,829 / 8 years	08.02.2022	12,980
13.	Green Borneo Industries Sdn Bhd	Lot 50, Jalan 1H, KKIP Selatan, Industrial Zone 2, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah	One single storey warehouse building with 2 storey office building	Leasehold expiring on 31.12.2096	96,983	32,823 / 16 years	08.02.2022	8,257
14.	Life Water Industries Sdn Bhd	Lot 815, Jalan 7, KKIP Timur, Industrial Zone 8, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah	Vacant land	Leasehold expiring on 31.12.2096	355,450	N/A	21.11.2023	18,850
15.	Green Borneo Industries Sdn Bhd	CL No. 105244442, Kinabutan, Off KM 8, Jalan Apas, 91000 Tawau, Sabah	Single-storey office and warehouse building (under contruction)	Leasehold expiring on 24.10.2916	86,249	N/A	07.02.2023	5,654
16.	Green Borneo Industries Sdn Bhd	Country Lease No. 105244451, Mile 5, Jalan Apas, 91000 Tawau, Sabah	Vacant land	Leasehold expiring on 24.10.2916	66,647	N/A	10.06.2024	2,711

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2025

No. of issued shares : 473,179,500
Class of Shares : Ordinary Shares
Voting Right : One (1) vote per ordinary share

A. ANALYSIS OF SHAREHOLDINGS

Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	26	1.08	698	0.00
100 to 1,000	620	25.95	311,716	0.07
1,001 to 10,000	1,155	48.35	6,122,420	1.29
10,001 to 100,000	434	18.17	13,636,515	2.88
100,001 to 23,658,974 (*)	151	6.32	110,713,651	23.40
23,658,975 and above (**)	3	0.13	342,394,500	72.36
Total	**2,389**	**100.00**	**473,179,500**	**100.00**

REMARK: * - LESS THAN 5% OF ISSUED HOLDINGS
**** - 5% AND ABOVE OF ISSUED HOLDINGS**

B. DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTOR'S SHAREHOLDINGS

Name	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Datuk Petrus Gimbad	200,000	0.04	-	-
Liaw Hen Kong	200	0.00	171,247,400 (1)	36.19
Chin Lee Ling	110,300	0.02	171,247,400 (1)	36.19
Lim Young Piau	85,623,550	18.10	-	-
Tan Hwong Kuen	85,523,550	18.07	-	-
Ang Seng Wong	200,000	0.04	-	-
Tan Mui Ping	200,000	0.04	-	-
Selma Enolil Binti Mustapha Khalil	100,000	0.02	-	-

C. SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Scarecrow Holding Sdn. Bhd.	171,247,400	36.19	-	-
Liaw Hen Kong	200	0.00	171,247,400 (1)	36.19
Chin Lee Ling	110,300	0.02	171,247,400 (1)	36.19
Lim Young Piau	85,623,550	18.10	-	-
Tan Hwong Kuen	85,523,550	18.07	-	-

Note: -
(1) Deemed interested in shares held by Scarecrow Holding Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2025

D. TOP THIRTY (30) SHAREHOLDERS

No	Name	No. of shares held	%
1	SCARECROW HOLDING SDN BHD	171,247,400	36.19
2	LIM YOUNG PIAU	85,623,550	18.10
3	TAN HWONG KUEN	85,523,550	18.07
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	10,399,200	2.20
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	9,034,825	1.91
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	7,685,326	1.62
7	HSBC NOMINEES (TEMPATAN) SDN BHD BNPP SIN/2S FOR PERTUBUHAN KESELAMATAN SOSIAL (PKSUOBAM EQ)	6,330,000	1.34
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MAYBANK ISLAMIC ASSET MANAGEMENT SDN BHD (OMNIBUS TRUST ACCOUNT FOR CLIENTS)	3,862,600	0.82
9	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	3,602,400	0.76
10	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN BHD EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD (RETAIL CLIENTS)	2,998,400	0.63
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD	2,365,900	0.50
12	CARTABAN NOMINEES (TEMPATAN) SDN BHD TMF TRUSTEES MALAYSIA BERHAD FOR MAYBANK ASIAPAC EX-JAPAN EQUITY-I FUND	2,175,300	0.46
13	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YEN WOON @ LOW SAU CHEE (PB)	2,000,000	0.42
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (UOB)	2,000,000	0.42
15	AMANAHRAYA TRUSTEES BERHAD PMB DANA BESTARI	1,949,700	0.41
16	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG CONSUMER PRODUCTS SECTOR FUND	1,750,000	0.37
17	UOBM NOMINEES (ASING) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD AGGRESSIVE FUND	1,642,200	0.35
18	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	1,475,000	0.31

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2025

D. TOP THIRTY (30) SHAREHOLDERS (CONT'D)

No	Name	No. of shares held	%
19	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	1,271,500	0.27
20	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG STRATEGIC FUND	1,250,000	0.26
21	CITIGROUP NOMINEES (ASING) SDN BHD MERRILL LYNCH INTERNATIONAL	1,234,900	0.26
22	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD MAYBANK MALAYSIA GROWTH FUND	1,179,800	0.25
23	PELABURAN MARA BERHAD	1,150,000	0.24
24	TEO KWEE HOCK	1,000,000	0.21
25	AMANAHRAYA TRUSTEES BERHAD MAYBANK MALAYSIA BALANCED-I FUND	944,100	0.20
26	CHIN CHUN MING	923,000	0.20
27	CHIN LEE YUNG @ RINA CHIN	923,000	0.20
28	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD HONG LEONG ASSET MANAGEMENT BHD FOR HONG LEONG FOUNDATION (ED100)	917,800	0.19
29	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR PROGRESSIVE INSURANCE BHD (EQUITY PFOLIO 1)	912,300	0.19
30	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR UNITED MALAYSIA FUND	872,300	0.18
		414,244,051	**87.54**

NOTICE OF SECOND (2ND) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2nd Annual General Meeting ("**AGM**") of the Company will be held at Conference room, Lot 805, Jalan 7, KKIP Timur, Industrial Zone 8, KKIP, 88460 Kota Kinabalu, Sabah on Thursday, 18 December 2025 at 11:00 a.m. for the transaction of following business:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and the Auditors thereon. ***(Please Refer to Explanatory Note 2)***

2. To approve the Directors' fees payable to the Non-Executive Directors of the Company amounting to RM390,000/- for the period from the Second Annual General Meeting ("**2nd AGM**") to the next AGM of the Company to be held in the year 2026. ***Resolution 1***

3. To approve the Directors' benefits payable to the Non-Executive Directors up to an amount of RM42,000/- for the period from 2nd AGM to the next AGM of the Company to be held in the year 2026. ***Resolution 2***

4. To re-elect the following Directors, who are due retire by rotation pursuant Clause 76(3) of the Company's Constitution and being eligible, have offered themselves for re-election:-

   (a) Datuk Petrus Gimbad; ***Resolution 3***
   (b) Madam Chin Lee Ling; and ***Resolution 4***
   (c) Mr. Ang Seng Wong. ***Resolution 5***

5. To re-appoint Messrs. BDO PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors of the Company to fix their remuneration. ***Resolution 6***

Special Business

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolution:-

6. **ORDINARY RESOLUTION** ***Resolution 7***
   - <u>AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016</u>

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 ("**the Act**"), Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Constitution of the Company, and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding Treasury Shares, if any) for the time being;

   THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 12(3) of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate;

   AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

7. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF SECOND (2ND) ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

(duly signed)

YEOW SZE MIN (SSM PC No. 201908003120) (MAICSA 7065735)
LIM LIH CHAU (SSM PC No. 201908001454) (LS0010105)
Company Secretaries

Kuala Lumpur
30 October 2025

Notes:

(1) Information for Shareholders/Proxies

a. For the purpose of determining who shall be entitled to attend the 2nd AGM, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. ("**Bursa Depository**") to make available to the Company, a Record of Depositors as at 11 December 2025. Only a member whose name appears on such Record of Depositors shall be entitled to attend the 2nd AGM or appoint proxies to attend, speak and vote on his/her/its behalf.

b. A member entitled to attend and vote at the 2nd AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.

c. A member of the Company who is entitled to attend and vote at the 2nd AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 2nd AGM.

d. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

e. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

f. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

g. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 2nd AGM or adjourned the 2nd AGM at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

NOTICE OF SECOND (2ND) ANNUAL GENERAL MEETING

(ii) By Electronic form

In the case of an appointment made in electronic form, the proxy form can be electronically lodged via the following methods: -

(a) Vide Facsimile (**Fax Number: +603-2094 9940 / +603-2095 0292**); or
(b) Vide designated electronic mail (Email) Address of Share Registrar: **info@sshsb.com.my**

A member may call the support line of Securities Services (Holdings) Sdn. Bhd. at +603-2084 9000 for assistance/clarification on item (g)(ii) above.

Explanatory Note to Ordinary and Special Businesses:-

(2) Audited Financial Statements for the financial year ended 30 June 2025 ("FYE 2025")

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

(3) Resolution 1 - Payment of Directors' Fees

The proposed Directors' Fees payable to the Non-Executive Directors of the Company for the period from the 2nd AGM to the next AGM of the Company to be held in the year 2026 shall be up to a total of RM390,000/- only, comprised the following rates based on responsibilities assumed: -

Office	Amount (RM)
Board Chairman	60,000/-
Non-Independent Non-Executive Senior Directors	168,000/-
Independent Non-Executive Directors	162,000/-

In the event that the Directors' Fees proposed are insufficient due to enlarged Board size, approval will be sought at the next AGM for additional Directors' Fees to meet the shortfall.

(4) Resolution 2 - Payment of Benefits Payable to Directors

The benefits payable to the Non-Executive Directors for the period from the 2nd AGM to the next AGM of the Company to be held in the year 2026 are derived from the estimated meeting allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board of Directors ("**Board**") and Board Committees, and the number of Directors attending the meetings.

In the event that the benefits payable proposed are insufficient due to enlarged Board size, approval will be sought at the next AGM for additional benefits payable to meet the shortfall.

(5) Resolutions 3, 4 and 5 – Retirement of Directors

In determining the eligibility of the Directors to stand for re-election at the 2nd AGM of the Company, the Nomination Committee ("**NC**") had reviewed and assessed the following Directors from the annual assessment and evaluation of the Board for the FYE 2025: -

(a) Datuk Petrus Gimbad;
(b) Madam Chin Lee Ling; and
(c) Mr. Ang Seng Wong.

(hereinafter referred to as the "**Retiring Directors**").

NOTICE OF SECOND (2ND) ANNUAL GENERAL MEETING

The Board via NC's annual assessment was satisfied with the performance of the Retiring Directors, who are standing for re-election and have recommended to the shareholders the proposed re-election at the 2nd AGM under Resolutions 3, 4 and 5.

The Retiring Directors have consented to their re-election and abstained from deliberations and voting in relation to their re-election at the NC Meeting and/or Board Meeting.

The profiles of the Retiring Directors are set out in the Annual Report in respect of the FYE 2025.

(6) Resolution 6 - Re-appointment of Auditors

The Audit and Risk Management Committee and the Board had, on 25 August 2025, considered the re-appointment of Messrs. BDO PLT as Auditors of the Company. The Audit and Risk Management Committee and the Board collectively agreed and are satisfied that Messrs. BDO PLT meets the relevant criteria prescribed by Paragraph 15.21 of the Main LR of Bursa Securities.

(7) Resolution 7 – Authority to Issue Shares pursuant to the Act

The proposed Resolution 7 is intended to grant authority to the Directors of the Company pursuant to the Act, to issue and allot new shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "**General Mandate**"). The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The purpose to seek the General Mandate is to provide flexibility to the Directors of the Company for allotment of shares for any possible fund-raising activities for the purpose of funding future investment project(s), working capital, acquisition(s) and/ or such other purposes as the Directors may deem fit without convening a general meeting as it would be both time and cost-consuming to organise a general meeting.

Pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

That proposed Resolution 7, if passed, would allow the Directors to issue new shares to any person under authority to issue shares pursuant to the Act without having to offer new shares to be issued equally to all existing shareholders of the Company prior to issuance.

生命泉源集團 202301002484 (1496403-W)
Life Water Berhad

PROXY FORM

LIFE WATER BERHAD
[Registration No. 202301002484 (1496403-W)]
(Incorporated in Malaysia)

CDS Account No.	
No. of shares held	

I/We, _____ Tel: _____
[Full name in block, NRIC/Passport/Registration No.]
of _____

_____

being member(s) of **Life Water Berhad**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Second Annual General Meeting ("**2nd AGM**") of the Company to be held at Conference room, Lot 805, Jalan 7, KKIP Timur, Industrial Zone 8, KKIP, 88460 Kota Kinabalu, Sabah on Thursday, 18 December 2025, at 11:00 a.m. or any adjournment thereof, and to vote as indicated below:

Ordinary Business	**Resolution**	**For**	**Against**
To approve the Directors' fees payable to the Non-Executive Directors of the Company amounting to RM390,000/- for the period from the 2nd AGM to the next Annual General Meeting of the Company to be held in the year 2026.	Ordinary Resolution 1		
To approve the Directors' benefits payable to the Non-Executive Directors up to an amount of RM42,000/- for the period from the 2nd AGM to the next Annual General Meeting of the Company to be held in the year 2026.	Ordinary Resolution 2		
To re-elect Datuk Petrus Gimbad as Director of the Company.	Ordinary Resolution 3		
To re-elect Madam Chin Lee Ling as Director of the Company.	Ordinary Resolution 4		
To re-elect Mr. Ang Seng Wong as Director of the Company.	Ordinary Resolution 5		
To re-appoint Messrs. BDO PLT as Auditors of the Company.	Ordinary Resolution 6		
Special Business			
Authority to issue shares pursuant to the Companies Act 2016.	Ordinary Resolution 7		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____, 2025

_____
Signature*
Member

* Manner of execution:

(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  (i) at least two (2) authorised officers, of whom one shall be a director; or
  (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

a. For the purpose of determining who shall be entitled to attend the 2nd AGM, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. ("**Bursa Depository**") to make available to the Company, a Record of Depositors as at 11 December 2025. Only a member whose name appears on such Record of Depositors shall be entitled to attend the 2nd AGM or appoint proxies to attend, speak and vote on his/her/its behalf.
b. A member entitled to attend and vote at the 2nd AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
c. A member of the Company who is entitled to attend and vote at the 2nd AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 2nd AGM.
d. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
e. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
f. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
g. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 2nd AGM or adjourned the 2nd AGM at which the person named in the appointment proposes to vote:
   (i) <u>In hard copy form</u>
   In the case of an appointment made in hard copy form, the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.
   (ii) <u>By Electronic form</u>
   In the case of an appointment made in electronic form, the proxy form can be electronically lodged via the following methods: -
      (a) Vide Facsimile (**Fax Number: +603-2094 9940 / +603-2095 0292**); or
      (b) Vide designated electronic mail (Email) Address of Share Registrar: **<u>info@sshsb.com.my</u>**

A member may call the support line of Securities Services (Holdings) Sdn. Bhd. at +603-2084 9000 for assistance/clarification on item (g)(ii) above.

Please Fold Here

Affix
Stamp

The Share Registrar of

LIFE WATER BERHAD
[Registration No. 202301002484 (1496403-W)]
c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

Fold this flap for sealing

www.lifewater.com.my

生命泉源集團 202301002484 (1496403-W)
Life Water Berhad

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