生命泉源集團
Life Water Berhad
Registration No: 202301002484 (1496403-W)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FIRST QUARTER PERIOD ENDED 30 SEPTEMBER 2025

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Individual Quarter		Cumulative Quarter	
	Note	30.09.2025 RM'000	30.09.2024 RM'000	30.09.2025 RM'000	30.09.2024 RM'000
Revenue		51,234	42,586	51,234	42,586
Cost of sales		(26,380)	(22,287)	(26,380)	(22,287)
Gross profit		24,854	20,299	24,854	20,299
Other income		949	655	949	655
Net movement on impairment of financial instruments		(44)	(71)	(44)	(71)
Selling and distribution expenses		(8,690)	(7,624)	(8,690)	(7,624)
Administrative expenses		(3,725)	(3,139)	(3,725)	(3,139)
Finance costs		(1,146)	(1,159)	(1,146)	(1,159)
Profit before tax	27	12,198	8,961	12,198	8,961
Income tax expense	21	(2,824)	(1,465)	(2,824)	(1,465)
Profit for the financial period, representing total comprehensive income for the financial period		9,374	7,496	9,374	7,496
Profit attributable to the owners of the Company		9,374	7,496	9,374	7,496
Total comprehensive income attributable to owners of the Company		9,374	7,496	9,374	7,496
Earnings per share attributable to the owners of the Company					
Basic and diluted (sen)	26	1.98	1.58	1.98	1.58

Notes:

1. The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

2. Basic and diluted earnings per share is calculated based on the Company's issued share capital of 473,179,500 ordinary shares ("Shares") as at 30 September 2025.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Unaudited As at 30.09.2025 RM'000	Audited As at 30.06.2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		115,637	112,915
Right-of-use assets		66,207	64,095
Intangible assets	16	2,073	-
Deferred tax assets		218	179
		184,135	177,189
Current assets			
Inventories		36,136	35,583
Trade and other receivables		26,658	23,150
Current tax assets		3,491	3,584
Return assets		143	131
Short term funds		77,316	73,089
Cash and bank balances		15,576	22,725
		159,320	158,262
TOTAL ASSETS		343,455	335,451
EQUITY AND LIABILITIES			
Equity			
Share capital		154,620	154,620
Merger reserves		(87,204)	(87,204)
Retained earnings		150,711	141,337
TOTAL EQUITY		218,127	208,753
LIABILITIES			
Non-current liabilities			
Borrowings	23	80,700	81,853
Lease liabilities		2,969	3,123
Deferred tax liabilities		5,907	4,932
		89,576	89,908
Current liabilities			
Trade and other payables		12,095	14,468
Borrowings	23	21,885	21,109
Lease liabilities		804	803
Refund liabilities		188	158
Current tax liabilities		780	252
		35,752	36,790
TOTAL LIABILITIES		125,328	126,698
TOTAL EQUITY AND LIABILITIES		343,455	335,451
Net assets per share (RM)		0.46	0.44

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025
CONDENSED CONSOLIDATED OF FINANCIAL POSITION (CONTINUED)

Notes:

1. The Unaudited Condensed Consolidated of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

2. Net assets per ordinary share is calculated based on the Company's issued share capital of 473,179,500 ordinary shares as at 30 September 2025.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		<--------Non-distributable-------->		Distributable	
	Note	**Share capital RM'000**	**Merger reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 July 2024		*****	**-**	**(1,665)**	**(1,665)**
Profit (representing total comprehensive income) for the financial period		-	-	30,022	30,022
Total comprehensive income		-	-	30,022	30,022
Transaction with owners					
Issuance of ordinary shares pursuant to:					
- Acquisitions of subsidiaries in business combinations under common control		93,904	(87,204)	116,980	123,680
- Initial Public Offering		63,416	-	-	63,416
Share issuance expenses pursuant to the initial public offering		(2,700)	-	-	(2,700)
Dividends paid by subsidiaries		-	-	(4,000)	(4,000)
Total transactions with owners		154,620	(87,204)	112,980	180,396
At 30 June 2025 / 01 July 2025		**154,620**	**(87,204)**	**141,337**	**208,753**
Profit (representing total comprehensive income) for the financial period		-	-	9,374	9,374
Total comprehensive income		-	-	9,374	9,374
At 30 September 2025		**154,620**	**(87,204)**	**150,711**	**218,127**

Notes:

***** *Less than RM1,000*

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative 1st quarter	
	30.09.2025	**30.09.2024**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,198	8,961
Adjustments for:		
Inventories written off	14	26
Bad debts (recover)/ written off	(6)	7
Depreciation of investment properties	-	93
Depreciation of right-of-use assets	373	584
Depreciation of property, plant and equipment	3,795	2,490
Dividend income		
Finance costs	1,146	1,159
Interest income	(349)	(255)
Impairment loss on trade receivables	44	71
Fair value gain on short term funds	(310)	-
Operating profit before changes in working capital	**16,905**	**13,136**
Changes in working capital		
Inventories	1,093	(6,919)
Trade and other receivables	(2,621)	(947)
Trade and other payables	(2,743)	168
Return assets	(7)	(19)
Refund liabilities	19	25
Cash generated from operations	**12,646**	**5,444**
Interest received	32	255
Tax paid	(1,445)	(1,661)
Tax refunded	69	-
Net cash generated from operating activities	**11,302**	**4,038**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,231)	(2,337)
Purchase of right-of-use assets	(82)	(189)
Acquisition of subsidiary, net of cash acquisition	(10,121)	-
Net placement of short term funds	(3,600)	(3,634)
Net cash used in investing activities	**(17,034)**	**(6,160)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of banker's acceptances	175	2,757
Net repayment of term loans	(1,862)	(3,087)
Net repayment of lease liabilities	(225)	144
Interest paid	(1,102)	(1,158)
Dividends paid to shareholders	-	(4,000)
Net cash used in financing activities	**(3,014)**	**(5,344)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2025
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Cumulative 1st quarter	
	30.09.2025	**30.09.2024**
	RM'000	**RM'000**
Net decrease in cash and cash equivalents	**(8,746)**	**(7,466)**
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at 1 July 2025/2024	21,000	14,743
Cash and cash equivalents at 30 September	**12,254**	**7,277**

Cash and cash equivalents comprise:

Cash and bank balances	12,254	7,277
Fixed deposits with licensed banks	3,322	1,678
	15,576	8,955
Less: Fixed deposits pledged	(3,322)	(1,678)
Cash and cash equivalents included in the consolidated statements of cash flows	**12,254**	**7,277**

Note:

1. The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

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PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim financial report of Life Water Berhad ("**Life Water**" or the "**Company**") and its subsidiaries ("**Group**") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("**MASB**") and Rule 9.22 and Appendix 9B of the Listing Requirements.

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated

2. Basis of Accounting

The significant accounting policies and methods of computation adopted by the Group in this interim financial report is consistent with those adopted as disclosed in the Audited Financial Statements for the financial year ended 30 June 2025.

The Group adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") in the current financial quarter and period under review.

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 Convenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group.

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 is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

3. Declaration on Audit Qualification

The audited financial statements of the Group for the financial year ended 30 June 2025 was not subject to any audit qualification.

4. Seasonal or Cyclicality of Operations

The business operations of the Group are generally not materially affected by any seasonal or cyclical factors. However, the Group would record higher sales prior and during the festive seasons such as Hari Raya and Harvest Festival.

5. Items of Unusual Nature, Size or Incidence

There were no items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows in the current financial quarter and period under review.

6. Material changes in Accounting Estimates

There were no material changes in accounting estimates during the current financial quarter and period under review.

7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial year.

8. Dividends Paid

On 2 July 2024, the Group declared an interim single tier dividend of RM0.597 per ordinary share amounting to RM4,000,000 in respect of the financial year ended 30 June 2024, which was paid on 15 July 2024 and 17 July 2024.

9. Segmental Information

- Business segment

  The primary activities of the Group are in a single industry segment of processing, marketing and sales of drinking water, carbonated drinks, fruit drinks, sauce, condiments and PET containers. Other reporting segment include manufacture and sales of PET bottles and recycling of plastic products, which are 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.

- The Group evaluates performance on the basis of profit or loss for current financial quarter and period under review.

- Geographical information.

  The business activities of the Group are solely located in Malaysia and as such segment reporting by geographical location is not presented.

- Major customer

  There is no customer with revenue equal to or more than ten per centum (10%) of the Group's revenue.

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

10. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current financial quarter and period under review.

11. Material Subsequent Events

There was no material event subsequent to the end of the financial quarter.

12. Changes in the Composition of The Group

There were no material changes in the composition of the Group for the current financial quarter and period under review.

13. Contingent Assets and Contingent Liabilities

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

14. Capital Commitment

Save as disclosed below, there were no capital commitments:

	As At 30.09.2025 RM'000
Capital expenditure in respect of purchase of property, plant, and equipment	
Approved and contracted for	8,892
Approved but not contracted for	58,206
	67,098

15. Related Party Transaction

There were no material transactions with related parties to the end of the current financial quarter and period under review.

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PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

16. Intangible assets

Included in intangible assets are goodwill amounting to RM2,072,677 arising from the acquisition of new subsidiary during the year.

The Group completed its acquisition of the entire equity interest in Twinine Sdn. Bhd. ("**Twinine**") on 1 July 2025, marking its strategic entry into the broader Fast Moving Consumer Goods ("**FMCG**") market. This acquisition enables the Group to leverage Twinine's established distribution network and create synergies for expanded condiment distribution and cross-selling opportunities.

The following summarises the major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities determined at the acquisition date:

	30.09.2025 RM'000
Fair value of consideration transferred	
Cash and cash equivalents	10,500
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	3,306
Right-of-use assets	2,384
Deferred tax assets	6
Inventories	1,660
Trade and other receivables	842
Return assets	5
Cash and bank balances	1,976
Trade and other payables	(496)
Borrowings	(1,059)
Lease liabilities	(71)
Refund liabilities	(10)
Current tax liabilities	(116)
Total identifiable net assets	8,427

	30.09.2025 RM'000
Net cash outflow arising from acquisition of subsidiaries	
Purchase consideration settled in cash and cash equivalents	10,500
Cash and cash equivalents acquired	(379)
	10,121
Goodwill	
Goodwill was determined as a result of the acquisition as follows:	
Total consideration transferred	10,500
Fair value of identifiable net assets	(8,427)
Goodwill	2,073

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PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

17. Review of Performance

	Individual Quarter		Cumulative Quarter	
	30.09.2025	**30.09.2024**	**30.09.2025**	**30.09.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	51,234	42,586	51,234	42,586
Gross profit ("**GP**")	24,854	20,299	24,854	20,299
Profit before tax ("**PBT**")	12,198	8,961	12,198	8,961
Profit after tax ("**PAT**")	9,374	7,496	9,374	7,496
GP margin (%)	48.51%	47.67%	48.51%	47.67%
Effective tax rate (%)	23.15%	16.35%	23.15%	16.35%
PBT margin (%)	23.81%	21.04%	23.81%	21.04%
PAT margin (%)	18.30%	17.60%	18.30%	17.60%

The Group recorded revenue of RM51.23 million for the quarter ended 30 September 2025, 20.31% increase (RM8.65 million) compared to RM42.59 million in the corresponding quarter of the previous year.

Of this, RM49.12 million (95.88%) was derived from the manufacture of beverages, while RM2.08 million (4.06%) was contributed by sauces and condiments sales following completion of the acquisition of Twinine Sdn. Bhd. in July 2025. Sales of plastic bottles and containers contributed a further RM0.03 million (0.06%).

Within the beverages segment, drinking water remained the main revenue driver, accounting for RM43.42 million (84.76%) of total revenue. Carbonated drinks contributed RM5.64 million (11.00%), while fruit drinks contributed RM0.06 million (0.12%).

The increase in revenue was primarily attributable to higher sales volume of drinking water, following the expansion of production capacity at the Sandakan Sibuga Plant 1 in June 2025, as well as the consolidation of Twinine's operations.

Material costs represented the largest component of cost of sales at 63.00% (RM16.62 million), followed by direct overheads (26.84% or RM7.08 million) and direct labour costs (10.16% or RM2.68 million).

The Group's GP increased by 22.44% (RM4.56 million) to RM24.85 million, while the GP margin increased slightly from 47.67% to 48.51%. The marginal improvement was partly moderated by higher labour costs following the implementation of the minimum wage policy and the inclusion of Twinine's operations, which carry a different cost structure.

PBT rose by 36.12% (RM3.24 million) to RM12.20 million from RM8.96 million in the previous corresponding quarter, in line with higher sales and improved operational efficiency. Accordingly, the PBT margin increased from 21.04% to 23.81%.

PAT increased by 25.05% (RM1.88 million) to RM9.37 million, with a PAT margin of 18.30% compared to 17.60% in the corresponding quarter last year. The higher effective tax rate of 23.15% (from 16.35%) was mainly due to the absence of reinvestment allowances that were previously available.

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PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

18. Comparison with immediate preceding quarter's results

	Individual Quarter		Movement	
	30.09.2025	30.06.2025		
	RM'000	RM'000	RM'000	%
Revenue	51,234	44,551	6,683	+15.00
Gross profit ("**GP**")	24,854	20,777	4,077	+19.62
Profit before tax ("**PBT**")	12,198	9,072	3,126	+34.46
Profit after tax ("**PAT**")	9,374	9,053	321	+3.55
GP margin (%)	48.51%	46.64%		+1.87
Effective tax rate (%)	23.15%	0.21%		+22.94
PBT margin (%)	23.81%	20.36%		+3.45
PAT margin (%)	18.30%	20.32%		-2.02

The Group's revenue increased by 15.00% (RM 6.68 million) from RM44.55 million in the immediate preceding quarter to RM51.23 million in the current quarter. The growth was mainly driven by higher drinking water sales resulting from the expanded capacity at the Sandakan Sibuga Plant 1 and the inclusion of Twinine's sauces and condiments business following the completion of the acquisition of Twinine Sdn. Bhd. in July 2025.

GP rose by 19.62% (RM 4.08 million) to RM24.85 million, with the GP margin improving from 46.64% to 48.51%, reflecting better sales mix and production efficiency.

PBT increased by 34.46% (RM3.13 million) to RM12.20 million, supported by the increase in revenue and GP. The PBT margin rose from 20.36% to 23.81%, mainly due to higher sales volume and better cost management.

PAT increased slightly by 3.55% (RM 0.32 million) to RM 9.37 million. The PAT margin, however, declined from 20.32% to 18.30%, as the preceding quarter had benefited from reinvestment allowances claimed on capital expenditure for the Keningau Plant and the additional drinking water line at Sandakan Sibuga Plant 1. No similar tax incentives were available in the current quarter.

19. Prospects and Outlook for the Current Financial Year

The Group concludes FYE 2025 on a stronger operational footing, supported by the completion of the new manufacturing line at Sandakan Sibuga Plant 1. With Visit Malaysia 2026 expected to further stimulate nationwide tourism activity, the Group's enhanced annual production capacity of 626 million litres positions it well to meet rising demand across East Malaysia, driven by demographic expansion, higher consumer spending, and the continued recovery in tourism.

To support its expanding operations, the Group has added new trucks to its delivery fleet, bringing the total to 90 units. Coupled with eight strategically located warehouses — including upcoming facilities in Tawau and Lahad Datu — the Group is well-equipped to ensure timely and efficient product distribution throughout the region.

Entering the 2026 financial year, the Group has intensified its brand-building initiatives and broadened market engagement efforts to strengthen the visibility and penetration of Life Water's beverage portfolio. Between July and November 2025, a mix of direct and indirect marketing activities was deployed across Sabah to capture new and underserved markets while reinforcing consumer awareness of the Group's brands.

As part of its product development strategy, the Group launched its new lemon-flavoured carbonated soft drink, **Lemony**, through a series of on-ground activation events. The product is positioned to appeal to an active and energetic younger demographic. These offline activities complemented ongoing digital campaigns, including collaborations with food- and beverage-focused bloggers and social media influencers to enhance online brand visibility.

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

19. Prospects and Outlook for the Current Financial Year (continued)

The integration of Twinine Sdn Bhd ("Twinine") is currently in progress to strengthen market penetration. Historically, Twinine's sales were concentrated within the hotel, restaurant, café, and food-service sectors. To complement its B2B model, the Group has begun distributing Twinine products through Life Water's extensive retail network of 5,000 points of sale, including supermarkets, hypermarkets, sundry shops, retail outlets, and kiosks. This expanded distribution footprint is expected to significantly accelerate Twinine's transition into the B2C market.

While the operating environment may continue to face cost pressures, including labour-related adjustments, the Group remains focused on driving operational efficiencies and optimising pricing strategies. Supported by strong fundamentals, enhanced production scale, and a growing product portfolio, the Group is well-positioned to sustain its growth trajectory and deliver long-term shareholder value.

20. Variance of Actual Profit Forecast Profit

The Group did not issue any profit forecast or profit guarantee in the current financial quarter and period under review.

21. Tax Expenses

	Individual Period		Cumulative Period	
	30.09.2025	**30.09.2024**	**30.09.2025**	**30.09.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
In respect of current period:				
Current year tax expenses	1,882	1,408	1,882	1,408
Deferred tax	942	57	942	57
	2,824	1,465	2,824	1,465
Effective tax rate (%)	23.15	16.35	23.15	16.35
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

N/A – Not applicable.

1. The effective tax rate of the Group for the current period were lower than the statutory tax rate of 24% mainly due to utilisation of Reinvestment Allowance ("**RA**") incentive and the recognition of deferred tax assets on unutilised RA on properties, plant and machinery.

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PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

22. Utilisation of Proceeds from IPO

Further to the completion of the IPO on 13 November 2024, the Group raised gross proceeds of approximately RM63.42 million from the IPO via Public Issue. As at 30 September 2025, RM34.21 million of the total proceeds raised has been utilised as follow:

Details of utilisation	Proposed Utilisation	Actual Utilisation	Balance Unutilised	Approved Timeframe for the utilisation upon listing[1]	Revised Timeframe for the utilisation upon listing[2]
	RM'000	RM'000	RM'000		
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	19,000	-	Within 9 months	
Set up an automated warehouse racking system in KK IZ8 Plant 1	4,606	-	4,606	Within 14 months	Within 32 months
Purchase of drinking water manufacturing line for Sandakan Sibuga Plant 2	12,000	-	12,000	Within 32 months	
Set-up third distribution centre in 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**	**34,210**	**29,206**		

Notes:

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

2. On 24 November 2025, an announcement was issued to extend the timeframe for the utilisation of unulitised proceeds from within 14 months to 32 months, from the date of the Company Listing allocated for set up an automated warehouse racking system in KK IZ8 Plant 1.

23. Borrowings

		Unaudited as at 30.09.2025 RM'000	Unaudited as at 30.09.2024 RM'000
Current Liabilities			
Term loans	Secured	6,481	6,319
Banker's acceptances	Secured	15,404	14,086
		21,885	20,405
Non-Current Liabilities			
Term loans	Secured	80,700	82,557
Total		**102,585**	**102,962**

The above borrowings are denominated in Ringgit Malaysia.

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

24. Material Litigations

The Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the Group's financial position, and the Group's Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business as at the date of this interim financial report.

25. Dividends

On 25 August 2025, the Board of Directors declared an interim dividend of RM0.0159 per ordinary share amounting to approximately RM7.52 million in respect of the financial year ended 30 June 2025, which will be payable on 13 November 2025 to shareholders whose name appeared in the Record of Depositors of the Company at the close of business on 16 October 2025.

26. Earnings per Share

The earnings per share of the current financial quarter and financial year-to-date are calculated as follows,

	Individual Quarter		Cumulative Quarter	
	30.09.2025	**30.09.2024**	**30.09.2025**	**30.09.2024**
Profit attributable to the owners of the Company (RM'000)	9,374	7,496	9,374	7,496
Number of ordinary shares ('000)	473,180	473,180	473,180	473,180
Basic and diluted earnings per share (sen)	1.98	1.58	1.98	1.58

Notes:

1. Diluted earnings per ordinary share equals basic per ordinary share as there were no dilutive potential ordinary shares.

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PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

27. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income

Profit before tax is arrived at:

	Individual Quarter		Cumulative Quarter	
	30.09.2025 RM'000	30.09.2024 RM'000	30.09.2025 RM'000	30.09.2024 RM'000
After charging :				
Auditors' remuneration:				
- statutory audit				
- current year	40	24	40	24
- Overprovision in prior year	(1)	-	(1)	-
Bad debts written off	-	7	-	7
Depreciation of:				
- Property, plant and equipment	3,798	2,490	3,798	2,490
- Investment properties	-	93	-	93
- Right-of-use assets	373	584	373	584
Realised loss on foreign exchange	-	-	-	-
Impairment loss on trade receivables	44	71	44	71
Inventories written off	14	26	14	26
Interest expenses on:				
- lease liabilities	41	50	41	50
- borrowings	1,104	1,109	1,104	1,109
And crediting :				
Interest income	(349)	(255)	(349)	(255)
Rental income	(121)	(315)	(121)	(315)
Recover from bad debts written off	(6)	-	(6)	-
Fair value gain on short term fund	(310)	-	(310)	-
Realised gain on foreign exchange	-	(140)	-	(140)

Notes:

N/A – Not Applicable

1. This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first quarter ended 30 September 2025 announced in compliance with Listing requirements and as such, there are no comparative figures for the preceding year's corresponding period.

28. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 24 November 2025.