



**UNAUDITED INTERIM FINANCIAL REPORT
FOURTH QUARTER PERIOD ENDED 30 JUNE 2025**

LIFE WATER BERHAD

Registration No: 202301002484 (1496403-W)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.06.2025 RM'000	30.06.2024 ⁽²⁾ RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Revenue		44,551	N/A	172,966	166,532
Cost of sales		(23,774)	N/A	(91,453)	(86,517)
Gross profit		20,777	N/A	81,513	80,015
Other income		1,334	N/A	4,308	2,581
Net movement on impairment of financial instruments		274	N/A	183	31
Selling and distribution expenses		(8,058)	N/A	(31,010)	(27,349)
Administrative expenses ⁽³⁾		(4,088)	N/A	(15,306)	(15,242)
Finance costs		(1,167)	N/A	(4,663)	(3,483)
Profit before tax	27	9,072	N/A	35,025	36,553
Income tax expense	20	(19)	N/A	(5,003)	(8,432)
Profit for the financial period, representing total comprehensive income for the financial period		9,053	N/A	30,022	28,121
Profit attributable to the owners of the Company		9,053	N/A	30,022	28,121
Total comprehensive income attributable to owners of the Company		9,053	N/A	30,022	28,121
Earnings per share attributable to the owners of the Company					
Basic and diluted (sen) ⁽⁴⁾	26	1.91	N/A	⁽⁴⁾ 6.34	⁽⁵⁾ 5.94

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2025 CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

Notes:

N/A – Not Applicable

1. The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is prepared based on the consolidated results of Life Water Berhad and its subsidiaries for the period ended 30 June 2025. The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note 1 and should be read in conjunction with the Accountants' Report included in the prospectus of Life Water Berhad dated 22 October 2024 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
2. This is the fourth financial report announced in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding corresponding quarter available as no interim financial report is prepared for the comparative financial period concerned.
3. Administrative expenses included one-off initial public offering ("**IPO**") expenses of RM0.95 million incurred for cumulative quarter ended 30 June 2025.
4. 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 June 2025.
5. Basic and diluted earnings per share is calculated based on the number of Shares in the Company, comprising of 473,179,500 Shares upon the completion of the Company's listing on the Main Market of Bursa Securities ("**Listing**").

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED / COMBINED STATEMENTS OF FINANCIAL POSITION⁽¹⁾

	Note	Unaudited As at 30.06.2025 RM'000	Audited As at 30.06.2024 ⁽²⁾ RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		112,915	72,628
Right-of-use assets		64,095	53,542
Investment properties		-	21,611
Deferred tax assets		148	73
		177,158	147,854
Current assets			
Inventories		35,583	20,641
Trade and other receivables		24,046	22,995
Current tax assets		3,585	1,479
Return assets		130	149
Short term funds		73,089	33,496
Cash and bank balances		23,076	16,466
		159,509	95,226
TOTAL ASSETS		336,667	243,080
EQUITY AND LIABILITIES			
Equity			
Invested equity ⁽²⁾		-	6,700
Share capital		154,620	-
Merger reserves		(87,204)	-
Retained earnings		141,337	115,315
TOTAL EQUITY		208,753	122,015
LIABILITIES			
Non-current liabilities			
Borrowings	23	81,949	84,635
Lease liabilities		3,096	3,384
Deferred tax liabilities		4,901	3,818
		89,946	91,837
Current liabilities			
Trade and other payables		15,714	8,891
Borrowings	23	21,013	18,701
Lease liabilities		830	1,147
Refund liabilities		158	193
Current tax liabilities		253	296
		37,968	29,228
TOTAL LIABILITIES		127,914	121,065
TOTAL EQUITY AND LIABILITIES		336,667	243,080
Net assets per share (RM)		0.44 ⁽³⁾	0.26 ⁽⁴⁾

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED / COMBINED STATEMENTS OF FINANCIAL POSITION⁽¹⁾ (CONTINUED)****Notes:**

1. The Unaudited Condensed Consolidated / Combined Statements of Financial Position is prepared based on the consolidated results of Life Water Berhad and subsidiaries for the period ended 30 June 2025. The basis of preparation of the Unaudited Condensed Consolidated / Combined Statements of Financial Position is disclosed in Note 1 and should be read in conjunction with the Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
2. For the purpose of this combined interim financial report, the invested equity as of 30 June 2024 is the aggregate of the share capital of 6,700,200 ordinary shares of Life Water Berhad and its combining entities.
3. Net assets per ordinary share is calculated based on the Company's issued share capital of 473,179,500 ordinary shares as at 30 June 2025.
4. Net assets per share is calculated based on the number of Shares, comprising of 473,179,500 Shares upon completion of the Listing.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED / COMBINED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾

	Note	Share capital RM'000	Merger reserve RM'000	<i>Distributable (Accumulated losses) / Retained earnings</i> RM'000	Equity attributable to the owners of the Company RM'000
Unaudited					
Balance as at 1 July 2024		*	-	(1,665)	(1,665)
Adjustments for acquisitions	7	93,904	(87,204)	116,980	123,680
Balance as at 25 September 2024		93,904	(87,204)	115,315	122,015
Profit (representing total comprehensive income) for the financial period		-	-	30,022	30,022
New shares issued by the Company for the public issue	7	63,416	-	-	63,416
New shares issuance expenses for the public issue	7	(2,700)	-	-	(2,700)
Dividends		-		(4,000)	(4,000)
Balance as at 30 June 2025		154,620	(87,204)	141,337	208,753

Notes:

* Less than RM1,000

- The basis of preparation of the Unaudited Condensed Consolidated / Combined Statement of Changes in Equity is disclosed in Note 1 and should be read in conjunction with the Accountants' Report included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- This is the first financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year's corresponding quarter available as no interim financial report is prepared for the comparative financial period concerned.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾**

	Unaudited As at 30.06.2025 RM'000	Audited As at 30.06.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	35,025	36,553
Adjustments for:		
Amortisation of government grant	(145)	(145)
Inventories written off	224	267
Bad debts written off	101	93
Depreciation of investment properties	374	238
Depreciation of right-of-use assets	1,855	2,241
Depreciation of property, plant and equipment	10,696	8,594
Dividend income	(3)	-
Finance costs	4,663	3,483
Interest income	(1,586)	(741)
Impairment loss on trade receivables	-	9
Reversal of impairment loss on trade receivables	(183)	(41)
Gain on disposal of plant and equipment	(42)	(15)
Gain on lease termination	-	(9)
Property, plant and equipment written off	99	1
Fair value gain on short term funds	(1,060)	(133)
Operating profit before changes in working capital	50,018	50,395
Changes in working capital		
Inventories	(15,166)	(513)
Trade and other receivables	(835)	1,471
Trade and other payables	3,551	(1,886)
Return assets	19	7
Refund liabilities	(35)	(12)
Cash generated from operations	37,552	49,462
Interest received	213	695
Dividend received	3	-
Tax paid	(6,236)	(5,052)
Tax refunded	92	54
Net cash generated from operating activities	31,624	45,159
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(35,351)	(13,328)
Purchase of right-of-use assets	(3,522)	(3,885)
Purchase of investment properties	-	(5,019)
Proceeds from disposal of plant and equipment	41	15
Net placement of short term funds	(37,204)	(15,262)
Net cash used in investing activities	(76,036)	(37,479)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of banker's acceptances	3,496	2,118
Net drawdown / (repayment) of term loans	(3,825)	163
Net repayment of lease liabilities	(609)	(1,758)
Interest paid	(4,906)	(3,530)
Government grant received	148	337
Proceeds from share issuance	60,716	-
Dividends paid to shareholders	(4,000)	-
Net cash generated from financing activities	51,020	(2,670)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2025
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾(CONTINUED)**

	Unaudited	Audited
	As at	As at
	30.06.2025	30.06.2024
	RM'000	RM'000
Net increase in cash and cash equivalents	6,608	5,010
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of financial period	14,743	9,733
Cash and cash equivalents at end of financial period	21,351	14,743
Cash and cash equivalents comprise:		
Cash and bank balances	21,351	14,788
Fixed deposits with licensed banks	1,725	1,678
	23,076	16,466
Less: Bank overdraft included in borrowings	-	(45)
Less: Fixed deposits pledged	(1,725)	(1,678)
Cash and cash equivalents included in the consolidated statements of cash flows	21,351	14,743

Note:

1. The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note 1 and should be read in conjunction with the Accountants' Report included in the Prospectus 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.

This interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth quarter ended 30 June 2025 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 22 October 2024 and the accompanying 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 Accountants’ Report as disclosed in the Prospectus of the Company dated 22 October 2024.

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 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	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 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an investor and its Associate or Joint Venture</i>	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.

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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 2024 was not subject to any audit qualification.

4. Seasonal or Cyclicity 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

	Note	Number of ordinary shares	Amount RM'000
Issued share capital			
As at 1 July 2024		500	*
Adjustments for acquisitions	21	375,616,000	93,904
Public Issue	21	97,563,000	63,416
New shares issuance expenses	21	-	(2,700)
As at 30 June 2025		<u>473,179,500</u>	<u>154,620</u>

* Less than RM1,000

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

9.1 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 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.

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

9. Segmental Information (con't)

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

9.3 Geographical information.

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

9.4 Major customer

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

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

Save as disclosed in Note 21, there was no material event subsequent to the end of the financial quarter.

12. Changes in the Composition of The Group

Save for the Acquisitions as disclosed in Note 21, there were no other 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 30.06.2025 RM'000
Capital expenditure in respect of purchase of property, plant, and equipment	
Approved and contracted for	12,372
Approved but not contracted for	58,206
	<u>70,578</u>

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

16. Review of Performance

	Individual Quarter		Cumulative Quarter	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Revenue	44,551	N/A	172,966	166,532
Gross profit ("GP")	20,777	N/A	81,513	80,015
Profit before tax ("PBT")	9,072	N/A	35,025	36,553
Profit after tax ("PAT")	9,053	N/A	30,022	28,121
Normalised PBT	9,072	N/A	35,975	36,553
Normalised PAT	9,053	N/A	30,972	28,121
GP margin (%)	46.64%	N/A	47.13%	48.04%
Effective tax rate (%)	0.21%	N/A	14.28%	23.07%
PBT margin (%)	20.36%	N/A	20.25%	21.94%
PAT margin (%)	20.32%	N/A	17.36%	16.89%
Normalised PBT margin (%)	20.36%	N/A	20.80%	21.94%
Normalised PAT margin (%)	20.32%	N/A	17.91%	16.89%

Notes:

N/A – Not Applicable

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

Current quarter

The Group achieved a revenue of RM44.55 million for the current quarter ended 30 June 2025. Of this, RM44.50 million (99.89%) came from the manufacture of beverages. Revenue from other products contributed RM0.05 million (0.11%).

Within the beverages segment, drinking water was the largest revenue contributor, accounting for RM38.09 million, 85.50% of total revenue. Carbonated drinks generated RM6.35 million, 14.25% of total revenue. Fruit drinks contributed RM0.06 million, 0.14% of total revenue. The remainder of RM0.05 million (0.11%) was contributed by sales of plastic bottles and containers.

Material costs represented the largest share of cost of sales, making up 66.81% (RM15.88 million). Direct overhead costs accounted for 23.13% (RM5.50 million), while direct labor costs contributed 10.06% (RM2.39 million).

For the quarter ended 30 June 2025, the Group recorded a GP of RM20.78 million, with a GP margin of 46.64%. PBT was RM9.07 million, with a PBT margin of 20.36%. PAT was RM9.05 million, with a PAT margin of 20.32%.

Cumulative quarter (12 months)

The Group achieved a revenue of RM172.97 million for the 12-months financial period ended 30 June 2025 ("FYE 2025"). Of this, RM172.76 million (99.88%) came from the manufacture of beverages. Revenue from other products contributed RM0.21 million (0.12%).

Within the beverages segment, drinking water was the largest revenue contributor, accounting for RM145.96 million, 84.38% of total revenue. Carbonated drinks generated RM26.46 million, 15.30% of total revenue. Fruit drinks contributed RM0.34 million, 0.20% of total revenue. The remainder of RM0.21 million (0.12%) was contributed by sales of plastic bottles and containers.

Material costs represented the largest share of cost of sales, making up 66.25% (RM60.59 million). Direct overhead costs accounted for 24.34% (RM22.26 million), while direct labor costs contributed 9.41% (RM8.60 million).

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

16. Review of Performance (Con't)

FYE 2025 compared to FYE 2024

The Group's revenue grew by 3.86% (RM6.43 million), driven mainly by higher sales of drinking water. Gains were partially offset by declines in carbonated drinks and other products.

The Group's GP rose by 1.87% (RM1.50 million), though GP margin declined from 48.04% to 47.13%. This decline was partly attributable to the implementation of the minimum wage policy during the financial year, 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.

Excluding the listing expenses of RM0.95 million, the Group's year-to-date normalised PBT stood at RM35.98 million, a slight moderation of 1.58% compared to RM36.55 million in FYE 2024. The softer performance was mainly due to higher cost of sales and an increase in selling and distribution expenses as well as finance costs, which modestly outpaced revenue growth. Nevertheless, the Group's normalised PAT registered a healthy increase of 10.14% to RM30.97 million, supported by reinvestment allowance claims on capital expenditure for the Keningau Plant and the additional drinking water line at Sandakan Sibuga Plant 1, resulting in an improved PAT margin of 17.91% from 16.89% in FYE 2024.

17. Comparison with immediate preceding quarter's results

	Individual Quarter		Movement	
	30.06.2025	31.03.2025	RM'000	%
	RM'000	RM'000		
Revenue	44,551	43,117	1,434	3.33%
Gross profit ("GP")	20,777	19,515	1,262	6.47%
Profit before tax ("PBT")	9,072	8,110	962	11.86%
Profit after tax ("PAT")	9,053	6,482	2,571	39.66%
GP margin (%)	46.64%	45.26%		1.38%
Effective tax rate (%)	0.21%	20.07%		-19.86%
PBT margin (%)	20.36%	18.81%		1.55%
PAT margin (%)	20.32%	15.03%		5.29%

The Group's revenue increased by 3.33% or RM1.43 million from RM43.12 million in the immediate preceding quarter to RM44.55 million in the current financial quarter. This increase was primarily driven by higher selling prices of drinking water, following the implementation of the minimum wage policy.

The Group's GP increased by 6.47% or RM1.26 million in line with the increase in the Group's revenue. The GP margin also increased from 45.26% to 46.64% over the same period.

The Group's PBT increased by 11.86% or RM0.96 million in the current financial quarter which was in line with the improvement of the Group's revenue and GP. The PBT margin also increased from 18.81% to 20.36% over the same period. This was mainly driven by higher sales volume and price adjustments for drinking water.

The Group's PAT increased by 39.66% or RM2.57 million in current financial quarter and PAT margin increased from 15.03% in immediately preceding quarter to 20.32% in current financial quarter. This was largely due to reinvestment allowance claimed on capital expenditure for Keningau Plant and additional drinking water line at Sandakan Sibuga Plant 1 during the financial year.

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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. 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 this, the Group's annual production capacity has increased to 626 million litres, positioning it to better serve rising demand across East Malaysia, underpinned by demographic growth, 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. Combined with eight strategically located warehouses across key areas including upcoming facilities in Tawau and Lahad Datu, the Group is well-equipped to ensure timely and efficient product distribution across the region.

As part of its product diversification strategy, the Group has soft-launched a new carbonated flavoured drink in selected markets. Full-scale rollout will be announced in due course.

The integration of Twinine Sdn Bhd ("**Twinine**") is currently in progress and to further enhance output, the Group is planning to commence 1.5 shifts per day at the Twinine facility, an increase from the current single-shift operations.

Installation of the PET Preform Injection machines at the KK IZ8 Plant remains on track. These machines are expected to strengthen upstream production capabilities, reduce reliance on third-party suppliers, and contribute positively to margins.

While the operating environment may see continued cost pressures including labour-related adjustments. The Group remains focused on driving efficiencies and optimising pricing strategies. Backed by strong fundamentals, enhanced production scale, and an expanding product portfolio, the Group is well-positioned to sustain its growth trajectory and deliver long-term shareholder value.

19. 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.

20. Tax Expenses

	Individual Period		Cumulative Period	
	30.06.2025 RM'000	30.06.2024 ⁽¹⁾ RM'000	30.06.2025 RM'000	30.06.2024 RM'000
In respect of current period:				
Current year tax expenses	(704)	N/A	3,996	5,172
Deferred tax	723	N/A	1,007	3,260
	<u>19</u>	<u>N/A</u>	<u>5,003</u>	<u>8,432</u>
Effective tax rate ⁽²⁾ (%)	0.21	N/A	14.28	23.07
Statutory tax rate (%)	24.00	N/A	24.00	24.00

Notes:

N/A – Not applicable.

- There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.
- 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)

21. Status of Corporate Proposals

21.1 On 26 November 2023, the Company has entered into the following conditional Share Sale Agreement (“SSA”):

- (a) Life Water Industries Sdn. Bhd. (“**Life Water Industries**”) SSA for the Life Water Industries Acquisition 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. The total purchase consideration for the Life Water Industries Acquisition was arrived at after taking into consideration the audited net assets (“**NA**”) of Life Water Industries as at 30 June 2023 of RM51.19 million;
- (b) Green Borneo Industries Sdn. Bhd. (“**Green Borneo Industries**”) SSA for the Green Borneo Industries Acquisition 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. The total purchase consideration for the Green Borneo Industries Acquisition was arrived at after taking into consideration the audited NA of Green Borneo Industries as at 30 June 2023 of RM22.94 million;
- (c) Life Water Marketing Sdn. Bhd. (“**Life Water Marketing**”) SSA for the Life Water Marketing Acquisition 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. The total purchase consideration for the Life Water Marketing Acquisition was arrived at after taking into consideration the audited NA of Life Water Marketing as at 30 June 2023 of RM12.72 million;
- (d) Syarikat Maju Sasa Sdn. Bhd. (“**Syarikat Maju Sasa**”) SSA for the Syarikat Maju Sasa Acquisition 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. The total purchase consideration for the Syarikat Maju Sasa Acquisition was arrived at after taking into consideration the audited NA of Syarikat Maju Sasa as at 30 June 2023 of RM2.38 million;
- (e) Syarikat Rasa Kool Sdn. Bhd. (“**Syarikat Rasa Kool**”) SSA for the Syarikat Rasa Kool Acquisition 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. The total purchase consideration for the Syarikat Rasa Kool Acquisition was arrived at after taking into consideration the audited NA of Syarikat Rasa Kool as at 30 June 2023 of RM3.70 million;
- (f) K2 Water Sdn. Bhd. (“**K2 Water**”) SSA for the K2 Water Acquisition 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. The total purchase consideration for the K2 Water Acquisition was arrived at after taking into consideration the audited NA of K2 Water as at 30 June 2023 of RM1.43 million; and
- (g) Cyplast Industries Sdn. Bhd. (“**Cyplast Industries**”) SSA for the Cyplast Industries Acquisition 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. The total purchase consideration for the Cyplast Industries Acquisition was arrived at after taking into consideration the audited NA of Cyplast Industries as at 30 June 2023 of RM0.03 million.

The above acquisitions are collectively referred to as the “**Acquisitions**”. The Acquisitions were completed on 25 September 2024.

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

21. Status of Corporate Proposals (Con't)

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

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

- (a) 23,660,000 Issue Shares for application by the Malaysia Public;
- (b) 14,195,000 Issue Shares for application by our eligible Directors, employees and persons who have contributed to the success of the Group;
- (c) 560,000 Issue Shares by way of private placement to selected investors;
- (d) 59,148,000 Issue Shares by way of private placement to identified Bumiputera Investors approved by The Ministry of Investment, Trade and Industry, Malaysia; and

Offer for sale of 28,390,000 existing Shares by way of private placement to selected investors.

The listing of and quotation for the entire enlarged issued share of the Company on the Main Market of Bursa Securities was completed on 13 November 2024. At an IPO price of RM0.65 per share, the enlarged issued shares of the Company arising from the IPO were 473,179,500 shares equivalent to RM63.42 million before adjusting for the shares issuance expenses pursuant to the initial public offering of RM2.70 million.

21.3 On 28 May 2025, the Company entered into a Share Sale Agreement ("**SSA**") with Mdm. Wong Yoke Sim and Mr. Wong Khai Keong 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 proposed acquisition is expected to enhance the Group's product portfolio and expand its presence in the local and regional condiments market. The acquisition will be funded through internally generated funds and is subject to the fulfillment of conditions precedent as stipulated in the SSA.

The acquisition is not expected to have any material effect on the Group's share capital and substantial shareholders' shareholdings. However, it is expected to contribute positively to the Group's future earnings.

Barring any unforeseen circumstances, the proposed acquisition is expected to be completed within three (3) months (i.e. 27 August 2025) upon the full settlement of the purchase consideration.

The above SSA was completed on 1 July 2025.

Save as disclosed above, there were no other material events after the end of the current financial quarter and period under review that have not been reflected in this interim financial report as at the date of this interim financial report.

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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 June 2025, RM30.85 million of the total proceeds raised has been utilised as follow:

Details of utilisation	Estimated Timeframe for the utilisation upon listing ⁽¹⁾	Proposed Utilisation	Actual Utilisation	Balance Unutilised
		RM'000	RM'000	RM'000
Purchase PET 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 third distribution centre in Sandakan	Within 39 months	12,600	-	12,600
Working capital	Within 3 months	4,210	4,210	-
Estimated listing expenses ⁽²⁾	Within 3 months	6,000	6,000	-
Total		63,416	30,853	32,563

Notes:

The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the Company's Prospectus

23. Borrowings

		Unaudited as at 30.06.2025 RM'000	Audited as at 30.06.2024 RM'000
Current Liabilities			
Bank overdrafts	Secured	-	45
Term loans	Secured	6,187	7,328
Banker's acceptances	Secured	14,826	11,328
		<u>21,013</u>	<u>18,701</u>
Non-Current Liabilities			
Term loans	Secured	81,949	84,635
		<u>81,949</u>	<u>84,635</u>
Total		<u>102,962</u>	<u>103,336</u>

The above borrowings are denominated in Ringgit Malaysia.

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.

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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	
	30.06.2025	30.06.2024 ⁽¹⁾	30.06.2025	30.06.2024
Profit attributable to the owners of the Company (RM'000)	9,053	N/A	30,022	28,121
Number of ordinary shares ('000)	473,180	N/A	473,180	473,180
Basic and diluted earnings per share (sen) ⁽²⁾	1.91	N/A	6.34	5.94

Notes:

N/A – Not Applicable

1. This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth quarter ended 30 June 2025 announced in compliance with Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.
2. Diluted earnings per ordinary share equals basic per ordinary share as there were no dilutive potential ordinary shares.

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

Profit before tax is arrived at:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2025 RM'000	30.06.2024 ⁽¹⁾ RM'000	30.06.2025 RM'000	30.06.2024 ⁽¹⁾ RM'000
After charging :				
Auditors' remuneration:				
- statutory audit				
- current year	93	N/A	187	114
Bad debts written off	99	N/A	101	93
Property, plant and equipment written off	35	N/A	99	1
Depreciation of:				
- Property, plant and equipment	2,848	N/A	10,696	8,594
- Investment properties	94	N/A	374	238
- Right-of-use assets	114	N/A	1,855	2,241
Realised loss on foreign exchange	2	N/A	24	8
Impairment loss on trade receivables	-	-	-	9
Inventories written off	145	N/A	224	267
Interest expenses on:				
- lease liabilities	97	N/A	260	157
- borrowings	1,070	N/A	4,403	3,326
And crediting :				
Interest income	416	N/A	1,586	741
Dividend income	1	N/A	3	-
Gain on disposal of plant and equipment	32	N/A	42	15
Amortisation of government grant	145	N/A	145	145
Reversal Impairment loss on trade receivables	274	N/A	183	41
Fair value gain on short term fund	508	N/A	1,060	133

Notes:

N/A – Not Applicable

- This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 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 25 August 2025.