

Life Water Berhad ("LWB" or the "Company" or the "Purchaser")

- Proposed acquisition of 100% equity interest in Twinine Sdn. Bhd. ("Proposed Acquisition")

1. INTRODUCTION

The Board of Directors of LWB ("**Board**") wishes to announce that the Company had on 28 May 2025 entered into a Share Sale Agreement ("**SSA**" or "**Agreement**") with Mr. Wong Khai Keong and Madam Wong Yoke Sim ("**Madam Wong**") ("**the Vendors**") to undertake the proposed acquisition of 300,000 ordinary shares in Twinine Sdn. Bhd. [Registration No. 199001018508 (210177-H)] ("**TSB**") ("**Sale Shares**"), representing the entire issued share capital in TSB, for a total cash consideration of RM10,500,000.00 ("**Purchase Consideration**") ("**Proposed Acquisition**").

2. DETAILS OF THE PROPOSED ACQUISITION

Pursuant to the SSA, the Vendors have agreed to sell and the Company has agreed to purchase the Sale Shares free from encumbrances subject to the terms and conditions contained in the SSA.

Please refer to the Appendix A of this announcement for the salient terms of the SSA.

TSB would become a wholly-owned subsidiary of the Company upon the completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions as set out in the SSA.

2.1 Information on TSB

TSB was incorporated in Malaysia on 28 December 1990 and is principally involved in the manufacturing of sauces and condiments, operating within the food manufacturing sector ("**the Business**").

As at 28 May 2025, the issued share capital of TSB is RM300,000.00 comprising 300,000 ordinary shares ("**Shares**").

The directors and shareholders as well as their respective shareholdings in TSB are as follows: -

Name	Director/Shareholder	Number of shares	%
Madam Wong	Director and shareholder	270,000	90
Wong Khai Keong	Director and shareholder	30,000	10
Wong Nyuk Chuk	Director	-	-
Aw Hui Yen	Director	-	-
	Total	300,000	100

The financial information of TSB for the financial year ended 31 December ("**FYE**") 2022, 2023, unaudited for the FYE 2024 and 3-months financial period ended 31 March 2025 are as follows: -

	Audited FYE 2022 (RM'000)	Audited FYE 2023 (RM'000)	Unaudited FYE 2024 (RM'000)	Unaudited 3-months ended 31 March 2025 (RM'000)
Revenue	8,598	8,627	8,503	2,163
PAT	722	1,049	963	325

	Audited FYE 2022	Audited FYE 2023	Unaudited FYE 2024	Unaudited 3-months ended 31 March 2025
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Share capital	300	300	300	300
Net assets ("NA")	4,315	4,764	4,827	5,152

2.2 Basis and justification of arriving at the Purchase Consideration

The purchase consideration of RM10.50 million is to be fully satisfied in cash and was arrived after taking into consideration the following: -

- (a) The adjusted NA value as of 31 March 2025 of RM8.46 million. Adjustments were made to reflect the market value of TSB's buildings based on valuation report by CH Williams Talhar & Wong dated 15 May 2025.

	Lot 14 (Factory) (RM'000)	Lot 7 (Warehouse) (RM'000)	Total (RM'000)
NA as of 31 March 2025			5,152
Adjustment:			
- Market value	3,200	2,200	
- Net carrying amount	(1,002)	(1,086)	
Revaluation surplus	2,198	1,114	3,312
Adjusted NA			8,464

- (b) Average PAT for FYE 2022 to FYE 2024 is RM0.91 million.
- (c) Implied Price Earning ("PE") multiple: ~10.9x based on PAT of RM0.96 million for FYE 2024, which is in line with the Company's listing PE multiple of 10.42x.

2.3 Source of funding

The Purchase Consideration will be satisfied entirely in cash, which will be funded via internally generated funds.

2.4 Liabilities to be assumed

Save for the obligations and liabilities in and arising from and in connection with the SSA, there are no other liabilities (including contingent liabilities and guarantees to be assumed by the Company arising from the Proposed Acquisition.

3. RATIONALE AND BENEFITS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is to expand the Company's product portfolio into sauces and condiments segment. The Proposed Acquisition will also allow the Company to synergise its existing contribution network and leverage TSB's manufacturing capabilities. The Proposed Acquisition will also support future growth plans, including the establishment of an additional factory in Kota Kinabalu Industrial Park.

4. PROSPECTS

The proposed acquisition of TSB represents a strategic opportunity for LWB to diversify its product portfolio by expanding into the sauces and condiments segment, an adjacent space within the fast-moving consumer goods (FMCG) sector. As a complementary category to LWB's core beverage business, the addition of TSB's offerings will broaden LWB and its subsidiaries ("**the Group**")'s reach across more consumer occasions, reinforce household relevance, and unlock new revenue streams. TSB's established manufacturing capabilities and reputable product range will provide a solid foundation for immediate entry into the segment, while creating significant operational synergies in procurement, logistics, and distribution. By leveraging LWB's nationwide sales network and marketing capabilities, the Group is well-positioned to accelerate TSB's brand growth and market penetration both domestically and regionally.

Founded over 35 years ago, TSB has built a strong presence particularly along the West Coast of Sabah, parts of Sarawak, and Brunei, backed by a consistent financial track record. TSB recorded audited revenues of RM8.60 million in both FYE 2022 and FYE 2023, and an unaudited revenue of RM8.50 million in FYE 2024, alongside a healthy three-year average PAT of RM0.91 million. These steady figures reflect the brand's entrenched market position and consumer loyalty. Moving forward, with strategic support and capital injection from LWB, the Group expects TSB's business to scale further and contribute positively to overall Group revenue. Future plans include modernising production, enhancing marketing activities, and broadening distribution to new channels and geographies. These initiatives that are expected to unlock latent growth potential and expand TSB's revenue base significantly over time.

The acquisition also aligns with the Group's broader growth agenda, including the proposed establishment of a new manufacturing facility in Kota Kinabalu Industrial Park. This additional capacity will support the integration of TSB's operations and serve as a strategic hub for export-oriented production. The facility will further enhance the Group's operational resilience and provide flexibility to meet growing demand in East Malaysia and neighbouring markets.

Importantly, the acquisition is underpinned by robust macroeconomic trends. Malaysia's real household spending is forecasted to rise by 5.2% year-on-year in 2025, fuelled by a 1.06% population increase since 2023 and strengthening domestic consumption. Additionally, the food and beverage sector continue to gain momentum, with sales of manufactured beverages rising by 23% since 2021 (Department of Statistics Malaysia). Sabah's encouraging economic development is also notable, as reflected in its 8.8% compound annual growth rate (CAGR) in mean monthly household income between 2020 and 2022, further supporting consumption-led growth in one of the Group's key markets.

5. RISK FACTORS

LWB has conducted a legal due diligence of TSB and thereafter both the Vendors and LWB became aware of several matters that are considered non-compliance as is. The matters are outlined in Section 3 of the Appendix A of this announcement.

In order to resolve these matters, Madam Wong and LWB have agreed to collaborate whereby Madam Wong would use her best endeavours to ensure TSB's compliance whereas LWB will share its access to professionals and consultants as well as its experience in resolving the said matters.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share Capital and Substantial Shareholders' Shareholdings

The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholding in the Company as the Proposed Acquisition does not involve any issuance of new shares in the Company.

6.2 Earnings and Earnings Per Share ("EPS")

The Proposed Acquisition is not expected to have any immediate material impact on the earnings and EPS of the Company.

6.3 Net Assets ("NA") and Gearing

The Proposed Acquisition is not expected to have any immediate material impact on the NA and gearing of the Company.

7. APPROVAL REQUIRED

The Proposed Acquisition is not subject to the approval from the shareholders of the Company or any other regulatory authorities.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, AND/OR PERSONS CONNECTED

None of the Directors and/or major shareholders and/or chief executive of the Company and persons connected with them has any interest, direct or indirect, in the Proposed Acquisition.

9. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is fair and reasonable and is in the best interest of the Company.

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the fulfilment of all conditions as stipulated in the SSA, the Proposed Acquisition is expected to be completed within 3 months from the date of the SSA

11. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 5.91% based on pro-forma consolidated statements of financial position of the Company as at 30 June 2024.

12. DOCUMENT AVAILABLE FOR INSPECTION

The SSA is available for inspection at the registered office of the Company at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur,

Wilayah Persekutuan during normal business hours from Monday to Friday (except public holiday) for a period of 3 months from the date of this announcement.

This announcement is dated 28 May 2025.

SALIENT TERMS OF THE SSA

1. Purchase Price

- 1.1 The Purchase Price of the Shares is the sum of RM10,500,000.00 only (hereinafter referred to as "**the Purchase Price**") and shall be paid by the Purchaser in the following manner:
- (a) a sum of RM1,050,000.00 (hereinafter referred to as "**Deposit**") shall be paid to the Vendors upon the execution of the SSA as deposit and part payment towards the Purchase Price;
 - (b) a sum of RM9,450,000.00 (hereinafter referred to as "**the Balance Sum**") shall be paid to the Purchaser's Solicitors as stakeholders within three (3) months from the date of the SSA (hereinafter referred to as "**the Completion Period**") and the Purchaser's Solicitors shall hold the Balance Sum as stakeholders in accordance with the terms of the SSA.
- 1.2 In the event the Purchaser shall request for an extension of time to pay the Balance Sum, the Vendors shall grant to the Purchaser an extension of two (2) months from the expiry of the Completion Period (hereinafter referred to as "**the Extended Completion Period**") to pay the Balance Sum as remains unpaid free of interest.
- 1.3 The receipt by the Purchaser's Solicitors of any part of the Purchase Price shall be deemed sufficient discharge to the Purchaser of the sums so received and the Purchaser's Solicitors are hereby authorised to deal with the same in accordance with the terms of the SSA.

2. Completion upon full payment

- 2.1 Notwithstanding the non-completion of the Joint Obligations under Clause 3 hereunder, the purchase of the Shares shall be deemed completed upon the full payment of the purchase price to the Vendors and/or the Purchaser's Solicitors as stakeholders.
- 2.2 The Purchaser's Solicitors shall notify the Vendors upon the former's receipt of the Balance Sum from the Purchaser, and thereafter, the Vendors shall, within seven (7) days from the Purchaser's Solicitors' notification above, procure a meeting of the directors of TSB to be held at which it shall be resolved that:
- (a) the Shares shall be transferred to the Purchaser in accordance with Transfer Forms upon the issuance of the stamp certificate from the Inland Revenue Board;
 - (b) the directors and officers nominated by the Purchaser vide the resolution executed in-escrow shall be appointed effective as at the date of the meeting;
 - (c) the following resignation of the directors and officers shall be effective as at the date of the meeting;

No.	Name	Designation
1.	Wong Khai Keong	Director
2.	Wong Nyuk Chuk	Director
3.	Wong Yoke Sim	Director / Manager
4.	Aw Hui Yen	Director

- (d) the Vendors and the existing directors of TSB shall repay all money then owing by them to TSB and TSB shall repay all money then owing by TSB to them regardless of whether such sums were due at the material time;
 - (e) the existing directors shall be released from all guarantees and indemnities (if any) given by TSB in respect of the obligations of the Vendors; and
 - (f) the existing directors shall be released from all guarantees and indemnities (if any) in respect of any credit facilities given to TSB or to any third parties in relation to the directors' positions in TSB and, if necessary, such guarantees shall be substituted with a corporate guarantee by the Purchaser.
- 2.3 Notwithstanding the resignation of Madam Wong as a director of TSB upon the complete purchase of the Shares, the Vendors and the Purchaser ("**the Parties**") hereby agree that she shall be employed by TSB for a period of two (2) years from the date thereof subject to the following provisions: -
- (a) for the first six (6) months from the date thereof, in consideration of a monthly salary of RM20,000.00, Madam Wong shall oversee the operations of the Business while attending to the necessary to ensure all matters related to the Business are properly handed over to the Purchaser; and thereafter
 - (b) for the remaining eighteen (18) months, the Purchaser may require Madam Wong to provide consultation services with regard to matters related to TSB's expansion, which includes setting up an additional factory in Kota Kinabalu Industrial Park, and Madam Wong shall undertake such works in consideration of a remuneration of up to RM10,000.00 per month.

3. Joint Obligations

- 3.1 Based on the legal due diligence conducted by the Purchaser, the Parties became aware of several matters which may put the Purchaser at risk in the event the Purchaser acquires TSB along with the Business as is. In order to ensure that the Purchaser's acquisition of TSB complies with the applicable laws, rules, regulations, by-laws, and in order to safeguard the Purchaser's interest at all times, the Parties hereby agree that Madam Wong and the Purchaser shall use their best endeavours to jointly resolve and/or complete the matters outlined in Clause 3.2 hereunder (hereinafter referred to as "**the Joint Obligations**").
- 3.2 Both parties hereby agree that they shall use their best endeavours to attend to the Joint Obligations outlined below within three (3) months from the date of the SSA: -
- (a) to procure a fresh tenancy agreement between TSB and Wong Nyuk Chuk in relation to an apartment known as Lot 6, 3F, Block SH1, Taman Suria Shop Apartment Phase 2, Penampang, Kota Kinabalu, Sabah (hereinafter referred to as "**Property 1**");
 - (b) to procure a manufacturing licence from the Malaysian Investment Development Authority for TSB;
 - (c) to formulate a written statement with regard to TSB's occupational safety and health policy in accordance with the provisions of the Occupational Safety and Health Act 1994;

- (d) to furnish a written confirmation that TSB has complied with the applicable laws, regulations, by-laws, rules, and any other provisions, and that there are no queries and/or outstanding issues highlighted by the relevant authorities that have yet to be resolved by TSB including but not limited to following areas: -
 - i. matters related to TSB's occupational safety and health including the formulation of a written statement on the same under the Occupational Safety and Health Act 1994;
 - ii. matters related to the governance of food safety and quality control under the Food Act 1983, Food Regulations 1985, and Food Hygiene Regulations 2009;
 - iii. matters related to the employment of non-resident employees and updating TSB's standard employment contract in line with the provisions of the Labour Ordinance;
 - iv. matters related to TSB's commercial vehicles licensing under the Commercial Vehicles Licensing Board Act 1987;
 - v. matters related to halal certification for TSB's products under the Trade Descriptions Act 2011;
 - vi. matters related to TSB's MeSTI certification under the Industrial Responsibility Safe Food Certification Scheme;
 - vii. matters related to environmental issues under the Environmental Quality Act 1974 and the Sabah Environment Protection Enactment 2002; and
 - viii. matters related to the Fire Services Act 1988;
- (e) to procure the necessary offensive trade licences from the local authorities; and
- (f) to furnish a written confirmation that TSB, at all times, maintains the necessary and up-to-date insurances, licences, approvals, and certificates to carry out its daily operations and business.

3.3 Notwithstanding the period stipulated in Clauses 3.2 above, the Purchaser has the discretion to extend the period as the Purchaser deems fit.

3.4 For the avoidance of doubt, non-completion of the Joint Obligations shall not allow either party to terminate the SSA.

4. Interim Period Pending Completion

4.1 Upon the execution of the SSA, the Vendors shall not enter into any agreement, transaction, or arrangement whatsoever to sell, dispose of, transfer, assign, convey, or encumber the Shares or any part thereof to any other party without the written consent of the Purchaser.

4.2 The Vendors further covenant with the Purchaser that they shall not, without the prior written consent of the Purchaser, cause TSB to:

- (a) create, extend, grant, or issue, or agree to create, extend, grant, or issue any mortgages, charges, debentures, or other securities;
- (b) create, or issue, or agree to create, or to issue any share or loan capital or give or agree to give any option in respect of any share or loan capital;
- (c) incur any expenditure on capital account or enter into any commitments;

- (d) dispose of or agree to dispose of or grant any option in respect of any part of its assets, borrow any money, or make any payments out of or drawings on its bank account(s) other than routine payments;
 - (e) enter into any contract other than in the ordinary course of business;
 - (f) do or suffer anything otherwise than in the ordinary course of its present day to day business whereby its financial position shall be rendered materially less favourable than at the accounts;
 - (g) make any alteration to the provisions of its constitution;
 - (h) in any way depart from the ordinary course of its day-to-day business either as regard to the nature, scope, or manner of conducting the same;
 - (i) pay or agree to pay to its directors or officers or any of them any remuneration or other emoluments or benefits whatsoever other than those which have been disclosed to the Purchaser;
 - (j) declare, make, or pay any dividend or other distribution, or do or suffer anything which may render its financial position less favourable than as at the date of the SSA;
 - (k) grant or issue or agree to grant or issue any mortgages, charges, debentures, or other securities for money, or redeem or agree to redeem any such securities, or give or agree to give any guarantees or indemnities;
 - (l) make any changes in the terms and conditions of employment or pension benefits of any of its directors or employees or employ or terminate the employment of any person provided that such action is for the benefit of TSB and further provided that it is to comply with the terms of the SSA and the applicable laws and regulations;
 - (m) acquire any assets on hire purchase or deferred terms;
 - (n) deal with any of its fixed assets;
 - (o) grant any tenancy or lease any of its assets or any part thereof;
 - (p) permit any liens to arise on any of its assets other than liens arising by statute or by operation of law in the ordinary course of business; and
 - (q) knowingly permit any of its insurance, licences, approvals, and certificates necessary for the daily operations and business to lapse or do anything to render them void, voidable, or revoked.
- 4.3 The Vendors hereby undertake that they shall not, without the prior written consent of the Purchaser:
- (a) dispose of any interest, dispose, grant any option, mortgage, charge, or otherwise encumber the Shares or any of them; or
 - (b) permit TSB to pass any resolution in any general or extraordinary meeting.
- 4.4 The Parties hereby agree that the Vendors are entitled to transfer ownership of two (2) vehicles outlined below that are currently registered under the name of TSB to Madam Wong provided that all costs and expenses in

relation thereto shall be borne by herself save for any outstanding balances from hire purchase(s) (if any) which shall be borne by TSB:

Registration No.	Chassis / Engine No.	Model	Manufactured Year	Registration Date
JTR96	L6T7742Z4KUO23 727 / 4G18TDBK2CB050 2726	Proton X70 1.8 TGDI Executive 2WD	2019	12/06/2019
VLK96	VJA300-4030554 / V35A0071011	Toyota Land Cruiser LC300	2022	24/10/2023