



**UNAUDITED INTERIM FINANCIAL REPORT**

**SECOND QUARTER ENDED 31 DECEMBER 2024**

**LIFE WATER BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024**  
**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.12.2024 RM'000	31.12.2024 <sup>(2)</sup> RM'000	31.12.2024 RM'000	31.12.2024 <sup>(2)</sup> RM'000
Revenue		42,713	N/A	85,299	N/A
Cost of sales		(21,791)	N/A	(44,078)	N/A
<b>Gross profit</b>		20,922	N/A	41,221	N/A
Other income		1,011	N/A	1,666	N/A
Net movement on impairment of financial instruments		14	N/A	(57)	N/A
Selling and distribution expenses		(7,683)	N/A	(15,307)	N/A
Administrative expenses <sup>(3)</sup>		(4,186)	N/A	(7,325)	N/A
Finance costs		(1,195)	N/A	(2,354)	N/A
<b>Profit before tax</b>	27	8,883	N/A	17,844	N/A
Income tax expense	20	(1,892)	N/A	(3,357)	N/A
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>		6,991	N/A	14,487	N/A
<b>Profit attributable to the owners of the Company</b>		6,991	N/A	14,487	N/A
<b>Total comprehensive income attributable to owners of the Company</b>		6,991	N/A	14,487	N/A
<b>Earnings per share attributable to the owners of the Company</b>					
Basic and diluted (sen) <sup>(4)</sup>	26	1.48	N/A	3.06	N/A

**Notes:**

N/A – Not Applicable

- 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 31 December 2024. 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.
- This is the second 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 and year-to-date available as no interim financial report is prepared for the comparative financial period concerned.
- Administrative expenses included one-off initial public offering ("**IPO**") expenses of RM0.81 million and RM0.91 million incurred during the individual and cumulative quarter ended 31 December 2024 respectively. The normalized result excluding the one-off expenses are disclosed in Note 16.
- Basic and diluted earnings per share is calculated based on the Company's issued share capital of 473,179,500 ordinary shares as at 31 December 2024.

**LIFE WATER BERHAD**

Registration No: 202301002484 (1496403-W)  
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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024****CONDENSED CONSOLIDATED / COMBINED STATEMENTS OF FINANCIAL POSITION<sup>(1)</sup>**

	Note	Unaudited As at 31.12.2024 RM'000	Audited As at 30.06.2024 <sup>(2)</sup> RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		76,172	72,628
Right-of-use assets		55,837	53,542
Investment properties		21,424	21,611
Deferred tax assets		134	73
		153,567	147,854
<b>Current assets</b>			
Inventories		33,443	20,641
Trade and other receivables		26,508	22,995
Current tax assets		1,728	1,479
Return assets		153	149
Short term funds		89,654	33,496
Cash and bank balances		12,274	16,465
		163,760	95,225
<b>TOTAL ASSETS</b>		<b>317,327</b>	<b>243,079</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Invested equity <sup>(2)</sup>		-	6,700
Share capital		154,620	-
Merger reserves		(87,204)	-
Retained earnings		125,801	115,314
<b>TOTAL EQUITY</b>		<b>193,217</b>	<b>122,014</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	23	82,541	84,635
Lease liabilities		3,474	3,384
Deferred tax liabilities		3,969	3,818
		89,984	91,837
<b>Current liabilities</b>			
Trade and other payables		11,392	8,890
Borrowings	23	20,726	18,702
Lease liabilities		794	1,147
Refund liabilities		198	193
Current tax liabilities		1,016	296
		34,126	29,228
<b>TOTAL LIABILITIES</b>		<b>124,110</b>	<b>121,065</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>317,327</b>	<b>243,079</b>
Net assets per share (RM)		0.41 <sup>(3)</sup>	18.21 <sup>(2)</sup>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024  
CONDENSED CONSOLIDATED / COMBINED STATEMENTS OF FINANCIAL POSITIONAS (CON'T)****Notes:**

N/A – Not Applicable

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 31 December 2024. 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 31 December 2024.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024****CONDENSED CONSOLIDATED / COMBINED STATEMENT OF CHANGES IN EQUITY<sup>(1)(2)</sup>**

	Note	Share capital RM'000	Merger reserve RM'000	Distributable (Accumulated losses) / Retained earnings RM'000	Equity attributable to the owners of the Company RM'000
<b>Unaudited</b>					
Balance as at 1 July 2024		*	-	(1,665)	(1,665)
Adjustments for acquisitions	7	93,904	(87,204)	116,979	123,679
Balance as at 25 September 2024		93,904	(87,204)	115,314	122,014
Profit (representing total comprehensive income) for the financial period		-	-	14,487	14,487
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	8	-	-	(4,000)	(4,000)
<b>Balance as at 31 December 2024</b>		<b>154,620</b>	<b>(87,204)</b>	<b>125,801</b>	<b>193,217</b>

**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 second financial report announced in compliance with 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 SECOND QUARTER ENDED 31 DECEMBER 2024****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)(2)</sup>**

	<b>As at 31.12.2024 RM'000</b>	<b>As at 31.12.2023<sup>(2)</sup> RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	17,844	N/A
Adjustments for:		
Inventories written off	56	N/A
Bad debts written off	4	N/A
Depreciation of investment properties	187	N/A
Depreciation of right-of-use assets	1,176	N/A
Depreciation of property, plant and equipment	5,030	N/A
Finance costs	2,354	N/A
Interest income	(520)	N/A
Loss on disposal of plant and equipment	54	N/A
Fair value gain on short term funds	(161)	N/A
Impairment loss on trade receivables	57	N/A
<b>Operating profit before changes in working capital</b>	<b>26,081</b>	<b>N/A</b>
Changes in working capital		
Inventories	(12,858)	N/A
Trade and other receivables	(3,573)	N/A
Trade and other payables	2,445	N/A
Return assets	(5)	N/A
Refund liabilities	5	N/A
<b>Cash generated from operations</b>	<b>12,095</b>	<b>N/A</b>
Interest received	508	N/A
Tax paid	(2,797)	N/A
<b>Net cash from operating activities</b>	<b>9,806</b>	<b>N/A</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(9,001)	N/A
Purchase of right-of-use assets	(3,337)	N/A
Proceeds from disposal of plant and equipment	239	N/A
Net placement of short term funds	(55,998)	N/A
<b>Net cash used in investing activities</b>	<b>(68,097)</b>	<b>N/A</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of banker's acceptances	3,938	N/A
Net repayment of term loans	(4,181)	N/A
Net drawdown of lease liabilities	(266)	N/A
Interest paid	(2,242)	N/A
Government grant received	148	N/A
Proceeds from share issuance	60,716	N/A
Dividends paid to shareholders	(4,000)	N/A
<b>Net cash generated from financing activities</b>	<b>54,113</b>	<b>N/A</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,178)</b>	<b>N/A</b>
Effects of exchange rate changes on cash and cash equivalents	-	N/A
Cash and cash equivalents at beginning of financial period	14,743	N/A
<b>Cash and cash equivalents at end of financial period</b>	<b>10,565</b>	<b>N/A</b>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)(2)</sup> (CONTINUED)**

	<b>As at</b> <b>31.12.2024</b> <b>RM'000</b>	<b>As at</b> <b>31.12.2023<sup>(2)</sup></b> <b>RM'000</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	10,565	N/A
Fixed deposits with licensed banks	1,709	N/A
	<u>12,274</u>	<u>N/A</u>
Less: Fixed deposits pledged	(1,709)	N/A
<b>Cash and cash equivalents included in the consolidated statements of cash flows</b>	<b><u>10,565</u></b>	<b><u>N/A</u></b>

**Notes:**

N/A – Not Applicable

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.
2. This is the second 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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# LIFE WATER BERHAD

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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 second quarter ended 31 December 2024 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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform – Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

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 2024

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 Convenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> (Amendments to Classification and Measurement of Financial Instruments)	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)

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### 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
<b>Issued share capital</b>			
<b>As at 1 July 2024</b>		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)
		<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 provision of logistic support services, 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:

	<b>As At</b>
	<b>31.12.2024</b>
	<b>RM'000</b>
Capital expenditure in respect of purchase of property, plant, and equipment	
Approved and contracted for	19,762
Approved but not contracted for	58,206
	<u>77,968</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.

## LIFE WATER BERHAD

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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	
	31.12.2024	31.12.2023 <sup>(1)</sup>	31.12.2024	31.12.2023 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	42,713	N/A	85,299	N/A
Gross profit ("GP")	20,922	N/A	41,221	N/A
Profit before tax ("PBT")	8,883	N/A	17,844	N/A
Profit after tax ("PAT")	6,991	N/A	14,487	N/A
Expenses in relation to listing	810	N/A	910	N/A
Normalised PBT	9,693	N/A	18,754	N/A
Normalised PAT	7,801	N/A	15,397	N/A
GP margin (%)	48.98%	N/A	48.33%	N/A
PBT margin (%)	20.80%	N/A	20.92%	N/A
PAT margin (%)	16.37%	N/A	16.98%	N/A
Normalised PBT margin (%)	22.69%	N/A	21.99%	N/A
Normalised PAT margin (%)	18.26%	N/A	18.05%	N/A

#### Notes:-

N/A – Not Applicable

1. This interim financial report on the Company's unaudited condensed consolidated financial results for the second quarter ended 31 December 2024 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter and year-to-date available as no interim financial report is prepared for the comparative financial period concerned.

#### Current quarter

The Group achieved a revenue of RM42.71 million for the current quarter ended 31 December 2024. Of this, RM42.64 million, or 99.84%, came from the manufacture of beverages. Revenue from other products contributed RM0.07 million, or 0.16%.

Within the beverages segment, drinking water was the largest revenue contributor, accounting for RM36.06 million, or 84.43% of total revenue. Carbonated drinks generated RM6.46 million, or 15.13% of total revenue. Fruit drinks contributed RM0.12 million, or 0.28% of total revenue. The remainder of RM0.07 million, or 0.16% was contributed by sales of plastic bottles and containers.

Material costs represented the largest share of cost of sales, making up 64.48% (RM14.05 million). Direct overhead costs accounted for 26.20% (RM5.71 million), while direct labor costs contributed 9.32% (RM2.03 million).

For the quarter ended 31 December 2024, the Group recorded a gross profit of RM20.92 million, with a gross profit margin of 48.98%. PBT was RM8.88 million, with a PBT margin of 20.80%. PAT was RM6.99 million, with a PAT margin of 16.37%.

The Group incurred one-off IPO expenses of RM0.81 million, which is non-recurring in the current quarter ended 31 December 2024. The normalised PBT and PAT excluding the IPO expenses, would be RM9.69 million and RM7.80 million, respectively. The normalised PBT margin and PAT margin would be 22.69% and 18.26%, respectively.

#### Cumulative quarter (6 months)

The Group achieved a revenue of RM85.30 million for the 6-months financial period ended 31 December 2024. Of this, RM85.19 million, or 99.87%, came from the manufacture of beverages. Revenue from other products contributed RM0.11 million, or 0.13%.

Within the beverages segment, drinking water was the largest revenue contributor, accounting for RM72.26 million, or 84.71% of total revenue. Carbonated drinks generated RM12.79 million, or 15.00% of total revenue. Fruit drinks contributed RM0.14 million, or 0.16% of total revenue. The remainder of RM0.11 million, or 0.13% was contributed by sales of plastic bottles and containers.

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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)

##### Cumulative quarter (6 months) (con't)

Material costs represented the largest share of cost of sales, making up 65.45% (RM28.85 million). Direct overhead costs accounted for 25.54% (RM11.26 million), while direct labor costs contributed 9.01% (RM3.97 million).

For the 6-months financial period ended 31 December 2024, the Group recorded a gross profit of RM41.22 million, with a gross profit margin of 48.33%. PBT was RM17.84 million, with a PBT margin of 21.99%. PAT was RM14.49 million, with a PAT margin of 16.98%.

The Group incurred one-off IPO expenses of RM0.91 million, which is non-recurring for the 6 months ended financial period ended 31 December 2024. The normalized PBT and PAT excluding the IPO expenses of RM0.91 million, would be RM18.75 million and RM15.40 million, respectively. The normalised PBT margin and PAT margin would be 22.99% and 18.05%, respectively.

#### 17. Comparison with immediate preceding quarter's results

	Individual Quarter		Movement	
	31.12.2024	30.09.2024	RM'000	%
Revenue	42,713	42,586	127	0.30%
Gross profit ("GP")	20,922	20,299	623	3.07%
Profit before tax ("PBT")	8,883	8,961	(78)	-0.87%
Profit after tax ("PAT")	6,991	7,496	(505)	-6.74%
Expenses in relation to IPO	810	100	710	710%
Normalised PBT	9,693	9,061	623	6.97%
Normalised PAT	7,801	7,596	205	2.69%
GP margin (%)	48.98%	47.67%		1.31%
Effective tax rate (%)	21.30%	16.35%		4.95%
PBT margin (%)	20.80%	21.28%		-0.48%
PAT margin (%)	16.37%	17.60%		-1.23%
Normalised PBT margin (%)	22.69%	21.28%		1.41%
Normalised PAT margin (%)	18.26%	17.84%		0.42%

The Group's revenue increased by 0.30% or RM0.12 million from RM42.59 million in immediate preceding quarter to RM42.71 million in current financial quarter. This was due to increase in revenue from sales of carbonated drinks and fruit drinks during Christmas festive season.

The Group's GP increased by 3.07% or RM0.62 million from RM20.30 million in immediate preceding quarter to RM20.92 million in current financial quarter. GP margin also increased from 47.67% in immediate preceding quarter to 48.98% in current financial quarter. The improvement largely due to the decrease in material cost particularly cost of plastics products during the current financial quarter.

The Group's effective tax rate increased from 16.35% in immediate preceding quarter to 21.30% in current financial quarter. The increase in tax rate mainly due to utilisation of higher reinvestment allowances in immediate preceding quarter as compared to current financial quarter.

The Group's PBT decreased by 0.87% or RM0.08 million from RM8.96 million in immediate preceding quarter to RM8.88 million in current financial quarter. The decrease mainly due to IPO expenses of RM0.81 million.

Correspondingly, the Group's PAT decreased by 6.74% or RM0.51 million in current financial quarter and our PAT margin decreased from 17.60% immediate preceding quarter to 16.37% in current financial quarter.

For the current financial quarter, the normalized PBT and PAT excluding the IPO expenses would be RM9.69 million and RM7.80 million, respectively. The normalised PBT margin and PAT margin would be 22.69% and 18.26%, respectively.

## LIFE WATER BERHAD

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

### 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 has announced that its new Keningau plant has commenced operations, marking a significant milestone in its expansion strategy. With an annual production capacity of 59 million liters, the plant increases the Group's total production capacity to 448 million liters per year, a 15% increase from its previous capacity of 389 million liters. Strategically located to improve supply chain efficiency and enhance market penetration across Sabah's interior regions, the plant is expected to strengthen the Group's distribution network while reducing logistical costs, contributing to overall operational efficiency. Furthermore, the Group has begun commissioning the setup of a new drinking water production line at the Sandakan Sibuga Plant 1, which will be financed through the utilisation of IPO proceeds. This initiative aligns with the Group's planned utilisation of funds, reinforcing its commitment to scaling production capacity to meet growing market demand.

To further optimize production capabilities, the Group is investing in two PET Preform Injection machines at its KK IZ8 Plant, partially funded by IPO proceeds. The first unit is scheduled to commence operations in the first quarter of 2025, with the second unit following in the second half of the year. This strategic investment will enhance in-house bottle production, ensuring a consistent supply of high-quality preforms while reducing reliance on external suppliers. By streamlining costs and improving production efficiency, the PET machines are expected to contribute positively to the Group's margins and support the growing demand from the Keningau and Sandakan Sibuga plants.

The Group remains confident in its growth trajectory, supported by strong industry fundamentals, operational expansion, and strategic initiatives aligned with its post-listing growth plans. While operational costs are expected to rise with adjustments in minimum wages, the Group is well-positioned to navigate these changes through strategic pricing and efficiency improvements. Malaysia's population has increased by 1.06% since 2023, driving demand in the F&B sector, with sales of manufactured beverages rising by 23% since 2021 (*Source: Department of Statistics Malaysia*). Meanwhile, Sabah's improving economic landscape, reflected in an 8.8% compound annual growth rate (CAGR) in mean monthly household income between 2020 and 2022, is expected to bolster consumer spending. Additionally, the ongoing recovery in Sabah's tourism sector, with a 20.4% increase in tourist arrivals from 2023 to 2024 (*Source: Sabah Tourism Board*), is set to drive higher demand for the Group's beverage offerings.

Beyond manufacturing expansion, the Group continues to strengthen its distribution infrastructure with the development of its Tawau Distribution Center, which will optimise logistics and improve delivery capabilities across the region. These initiatives align with the Group's long-term growth strategy, positioning it to capitalise on increasing market demand and drive sustainable revenue growth.

With strong industry fundamentals, rising consumer spending, and the recovery of Sabah's tourism sector, the Group remains confident in its ability to capture market opportunities and enhance shareholder value in the current financial year and beyond.

#### 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 Expense

	Individual Quarter		Cumulative Quarter	
	31.12.2024	31.12.2023 <sup>(1)</sup>	31.12.2024	31.12.2023 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Current year tax expenses	1,859	N/A	3,268	N/A
Deferred tax	33	N/A	89	N/A
	<u>1,892</u>	<u>N/A</u>	<u>3,357</u>	<u>N/A</u>
Effective tax rate <sup>(2)</sup> (%)	21.30	N/A	18.81	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

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#### 20. Tax Expense (Con't)

##### Notes:

N/A – Not applicable.

1. 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.
2. 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.

#### 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

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: (con't)

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.

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.

#### 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 31 December 2024, RM16.68 million of the total proceeds raised has been utilised as follow:

Details of utilisation	Estimated Timeframe for the utilisation upon listing <sup>(1)</sup>	Proposed Utilisation	Actual Utilisation	Balance Unutilised
		RM'000	RM'000	RM'000
Purchase PET injection moulding machine	Within 2 months	5,000	2,928	2,072
Set-up additional drinking water manufacturing line for Sandakan Sibuga Plant 1	Within 9 months	19,000	3,539	15,461
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 <sup>(2)</sup>	Within 3 months	6,000	6,000	-
<b>Total</b>		<b>63,416</b>	<b>16,677</b>	<b>46,739</b>

#### Notes:

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

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

#### 23. Borrowings

		Unaudited as at 31.12.2024 RM'000	Audited as at 30.06.2024 RM'000
<b>Current Liabilities</b>			
Bank overdrafts	Secured	-	45
Term loans	Secured	5,460	7,328
Banker's acceptances	Secured	15,266	11,329
		<u>20,726</u>	<u>18,702</u>
<b>Non-Current Liabilities</b>			
Term loans	Secured	82,541	84,635
		<u>82,541</u>	<u>84,635</u>
<b>Total</b>		<b><u>103,267</u></b>	<b><u>103,337</u></b>

The above borrowings are denominated in Ringgit Malaysia.

#### 24. Material Litigations

Save as disclosed below, 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:

##### 24.1 Green Borneo Industries Sdn Bhd -v- Leasing Logistics (E.M.) Sdn Bhd and Ting Ka Hing

Green Borneo Industries Sdn Bhd (the "**Plaintiff**") rented out 2 properties being, Lot 49, Phase 2, KKIP, Jalan 1H Selatan, Sepanggar KKIP, held under Country Lease No. 015586562 ("**Lot 49**") and Lot 50, Phase 2, KKIP, Jalan 1H Selatan, Sepanggar KKIP, held under Country Lease No. 015586571 ("**Lot 50**") to the Leasing Logistics (E.M.) Sdn Bhd and Ting Ka Hing (the "**Defendants**") via a tenancy agreement dated 17 June 2023 ("**Tenancy Agreement**").

The Defendants have failed to pay the rental for both Lot 49 and Lot 50. On 24 April 2024, the Plaintiff filed a Writ of Summons and Statement of Claim in the Sessions Court of Sabah and Sarawak at Kota Kinabalu (Suit No.: BKI-A52NCvC-69-4/2024) claiming the following:

- the sum of RM262,990.95, being the total outstanding amount as at 14 April 2024;
- order for vacant possession of Lot 49 and Lot 50 within 7 days from the date of order;
- double the monthly rental of RM64,250 for Lot 49 and RM40,750 for Lot 50 from 15 April 2024 to the date that vacant possession of Lot 49 and Lot 50 are delivered to the Plaintiff pursuant to section 28(4)(a) of the Civil Law Act 1956 (Act 67); or alternatively, the monthly rental of RM64,250 for Lot 49 and RM40,750 for Lot 50 from 15 April 2024 to the date that vacant possession of Lot 49 and Lot 50 are delivered to the Plaintiff;
- pre judgement interest and post judgement interest at the rate of 5% per annum pursuant to section 11 of the Civil Law Act 1956 (Act 67) on the said total outstanding amount from the date of which payment(s) are due to the date of full and final settlement;
- costs; and
- such other relief as the Court may deem fit and proper to grant.

On 13 June 2024, the Defendants filed a Statement of Defence and Counterclaim wherein they denied liability and claimed that the Tenancy Agreement is purportedly void due to lack of capacity on the part of the Plaintiff as the Plaintiff did not have legal possession of the Properties at the time when the Tenancy Agreement was executed. They sought for a declaration from the Court that the Tenancy Agreement be null and void.

On 18 July 2024, the Plaintiff filed an application for summary judgement under Order 14 Rule 1 of Rules of Court 2012 for its claim and an application for striking out application under Order 18 Rule 19 of the Rules of Court to strike out and the Defendants' counterclaim.



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#### 24. Material Litigations (Con't)

On 21 October 2024, the Court granted the application for summary judgment under Order 14 Rule 1 of the Rules of Court 2012 for the Defendants to deliver vacant possession of Lot 49 and Lot 50, for the Defendants to pay the Plaintiff a monthly rent of RM64,250 and RM40,750 for Lot 49 and Lot 50 from 1 May 2024 to the date that the Defendants deliver vacant possession, for the Defendants to pay the Plaintiff 5% interest on the monthly rent due to be calculated from 21 October 2024 to the date of full and final settlement, and for the Defendants to pay the Plaintiff costs of RM3,000.00. On the same day, the Court allowed the Plaintiff's striking out application with costs of RM1,000.00.

On 14 January 2025, the Court granted the Plaintiff's application to garnish the Defendants' bank accounts at Malayan Banking Berhad, Public Bank Berhad and Hong Leong Bank Berhad. Thus, a total amount of RM72,214.83 has been ordered to be paid to the Plaintiff.

#### 25. Dividends

The Board of Directors does not recommend any dividend for the current financial quarter.

#### 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	
	31.12.2024	31.12.2023 <sup>(1)</sup>	31.12.2024	31.12.2023 <sup>(1)</sup>
Profit attributable to the owners of the Company (RM'000)	6,991	N/A	14,487	N/A
Number of ordinary shares ('000)	473,180	N/A	473,180	N/A
Basic and diluted earnings per share (sen) <sup>(2)</sup>	1.48	N/A	3.06	N/A

#### Notes:

N/A – Not Applicable

1. This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the second quarter ended 31 December 2024 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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**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	
	31.12.2024	31.12.2023 <sup>(1)</sup>	31.12.2024	31.12.2024 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
After charging / (crediting):				
Bad debts (recovery) / written off (Reversal) / Impairment loss on trade receivables	(3)	N/A	4	N/A
Depreciation of:				
- property, plant and equipment	2,540	N/A	5,030	N/A
- Investment properties	94	N/A	187	N/A
- right-of-use assets	592	N/A	1,176	N/A
Fair value gain on short term fund	(161)	N/A	(161)	N/A
Interest expenses on:				
- lease liabilities	56		106	N/A
- borrowings	1,140	N/A	2,249	N/A
Inventories written off	30	N/A	56	N/A
Interest income	(265)	N/A	(520)	N/A
Gain on disposal of plant and equipment	(10)	N/A	(10)	N/A
Realised loss/ (gain) on foreign exchange	142	N/A	(140)	N/A
Property, plant and equipment written off	64	N/A	64	N/A

**Notes:**

N/A – Not Applicable

- This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2<sup>nd</sup>) quarter ended 31 December 2024 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 27 February 2025.

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