

6. INFORMATION ON OUR GROUP

6.1 HISTORY AND MILESTONES

Our Company was incorporated in Malaysia under the Act on 20 January 2023 as a private limited company under the name of Life Water Sdn Bhd and was subsequently converted to a public limited company on 19 December 2023.

Our Company is an investment holding company and through our Subsidiaries, we are principally a manufacturer of beverages namely drinking water and carbonated drinks. We operate from our head office and manufacturing facility in Sandakan as well as manufacturing facilities in Kota Kinabalu. We mainly market our beverages under our own brands of drinking water and carbonated drinks. We also contract manufacture for private label brands of drinking water for petrol stations, hypermarket, wholesalers and hotels.

As at the LPD, we have 3 manufacturing plants for beverage products in Sabah namely Sandakan Sibuga Plant 1, KK IZ4 Plant and KK IZ8 Plant 1 with a total annual production capacity of approximately 389 million litres of drinking water and 37 million litres of carbonated drinks and fruit drinks. Moving forward, we have a new manufacturing plant namely Keningau Plant which is expected to be operational by third quarter of 2024. Further details of the Group's history and milestones are set out in Section 7.1.2 of this Prospectus.

6.2 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

As at the LPD, the issued share capital of our Company is RM100 comprising 500 Shares.

The changes in the issued share capital of our Company since its incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Nature of transaction	Consideration	Cumulative issued share capital	
				RM	No. of Shares
20 January 2023	500	Subscribers' Shares	Cash	100	500
[●]	375,616,000	Allotment of Shares for the Acquisitions	Other than cash	93,904,100	375,616,500

As at the LPD, our Company does not have any outstanding warrants, options, convertible securities or uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotments.

Upon the completion of our IPO, our enlarged issued share capital will increase from RM93,904,100 comprising 375,616,500 Shares to RM[●] comprising 473,179,500 Shares.

6.3 FORMATION OF OUR GROUP

In conjunction with our Listing, our Company entered into the following conditional share sale agreements:

- (i) on 26 November 2023, our Company entered into the 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 NA of Life Water Industries as at 30 June 2023 of RM51.19 million;

6. INFORMATION ON OUR GROUP (CONT'D)

- (ii) on 26 November 2023, our Company entered into the 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;
- (iii) on 26 November 2023, our Company entered into the 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;
- (iv) on 26 November 2023, our Company entered into the 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;
- (v) on 26 November 2023, our Company entered into the 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;
- (vi) on 26 November 2023, our Company entered into the 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
- (vii) on 26 November 2023, our Company entered into the 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.

6.3.1 Life Water Industries Acquisition

The Vendors' shareholdings in Life Water Industries before the completion of the Life Water Industries SSA and number of Shares issued to them pursuant to the Life Water Industries Acquisition are as follows:

Vendors	Shareholdings in Life Water Industries before completion of the Life Water Industries SSA		Consideration	
	No. of Life Water Industries shares	%	RM	No. of new Shares
Liaw Hen Kong	475,000	25.00	12,730,685	50,922,740
Chin Lee Ling	475,000	25.00	12,730,685	50,922,740
Tan Hwong Kuen	475,000	25.00	12,730,685	50,922,740
Lim Young Piau	475,000	25.00	12,730,685	50,922,740
Total	1,900,000	100.00	50,922,740	203,690,960

6. INFORMATION ON OUR GROUP (CONT'D)

6.3.2 Green Borneo Industries Acquisition

The Vendors' shareholdings in Green Borneo Industries before the completion of the Green Borneo Industries SSA and number of Shares issued to them pursuant to the Green Borneo Industries Acquisition are as follows:

Vendors	Shareholdings in Green Borneo Industries before completion of the Green Borneo Industries SSA		Consideration	
	No. of Green Borneo Industries shares	%	RM	No. of new Shares
Liaw Hen Kong	1,050,000	25.00	5,706,142.50	22,824,570
Chin Lee Ling	1,050,000	25.00	5,706,142.50	22,824,570
Tan Hwong Kuen	1,050,000	25.00	5,706,142.50	22,824,570
Lim Young Piau	1,050,000	25.00	5,706,142.50	22,824,570
Total	4,200,000	100.00	22,824,570.00	91,298,280

6.3.3 Life Water Marketing Acquisition

The Vendors' shareholdings in Life Water Marketing before the completion of the Life Water Marketing SSA and number of Shares issued to them pursuant to the Life Water Marketing Acquisition are as follows:

Vendors	Shareholdings in Life Water Marketing before completion of the Life Water Marketing SSA		Consideration	
	No. of Life Water Marketing shares	%	RM	No. of new Shares
Liaw Hen Kong	25,000	25.00	3,163,987.25	12,655,949
Chin Lee Ling	25,000	25.00	3,163,987.25	12,655,949
Tan Hwong Kuen	25,000	25.00	3,163,987.25	12,655,949
Lim Young Piau	25,000	25.00	3,163,987.25	12,655,949
Total	100,000	100.00	12,655,949.00	50,623,796

6.3.4 Syarikat Maju Sasa Acquisition

The Vendors' shareholdings in Syarikat Maju Sasa before the completion of the Syarikat Maju Sasa SSA and number of Shares issued to them pursuant to the Syarikat Maju Sasa Acquisition are as follows:

Vendors	Shareholdings in Syarikat Maju Sasa before completion of the Syarikat Maju Sasa SSA		Consideration	
	No. of Syarikat Maju Sasa shares	%	RM	No. of new Shares
Liaw Hen Kong	50,000	25.00	590,885.75	2,363,543
Chin Lee Ling	50,000	25.00	590,885.75	2,363,543
Tan Hwong Kuen	50,000	25.00	590,885.75	2,363,543
Lim Young Piau	50,000	25.00	590,885.75	2,363,543
Total	200,000	100.00	2,363,543.00	9,454,172

6. INFORMATION ON OUR GROUP (CONT'D)**6.3.5 Syarikat Rasa Kool Acquisition**

The Vendors' shareholdings in Syarikat Rasa Kool before the completion of the Syarikat Rasa Kool SSA and number of Shares issued to them pursuant to the Syarikat Rasa Kool Acquisition are as follows:

Vendors	Shareholdings in Syarikat Rasa Kool before completion of the Syarikat Rasa Kool SSA		Consideration	
	No. of Syarikat Rasa Kool shares	%	RM	No. of new Shares
Liaw Hen Kong	50,000	25.00	920,626.25	3,682,505
Chin Lee Ling	50,000	25.00	920,626.25	3,682,505
Tan Hwong Kuen	50,000	25.00	920,626.25	3,682,505
Lim Young Piau	50,000	25.00	920,626.25	3,682,505
Total	200,000	100.00	3,682,505.00	14,730,020

6.3.6 K2 Water Acquisition

The Vendors' shareholdings in K2 Water before the completion of the K2 Water SSA and number of Shares issued to them pursuant to the K2 Water Acquisition are as follows:

Vendors	Shareholdings in K2 Water before completion of the K2 Water SSA		Consideration	
	No. of K2 Water shares	%	RM	No. of new Shares
Liaw Hen Kong	25,000	25.00	355,868.75	1,423,475
Chin Lee Ling	25,000	25.00	355,868.75	1,423,475
Tan Hwong Kuen	25,000	25.00	355,868.75	1,423,475
Lim Young Piau	25,000	25.00	355,868.75	1,423,475
Total	100,000	100.00	1,423,475.00	5,693,900

6.3.7 Cyplast Industries Acquisition

The Vendors' shareholdings in Cyplast Industries before the completion of the Cyplast Industries SSA and number of Shares issued to them pursuant to the Cyplast Industries Acquisition are as follows:

Vendors	Shareholdings in Cyplast Industries before completion of the Cyplast Industries SSA		Consideration	
	No. of Cyplast Industries shares	%	RM	No. of new Shares
Liaw Hen Kong	25	25.00	7,804.50	31,218
Chin Lee Ling	25	25.00	7,804.50	31,218
Tan Hwong Kuen	25	25.00	7,804.50	31,218
Lim Young Piau	25	25.00	7,804.50	31,218
Total	100	100.00	31,218.00	124,872

6. INFORMATION ON OUR GROUP (CONT'D)

The Acquisitions are subject to, among others, the following conditions precedent:

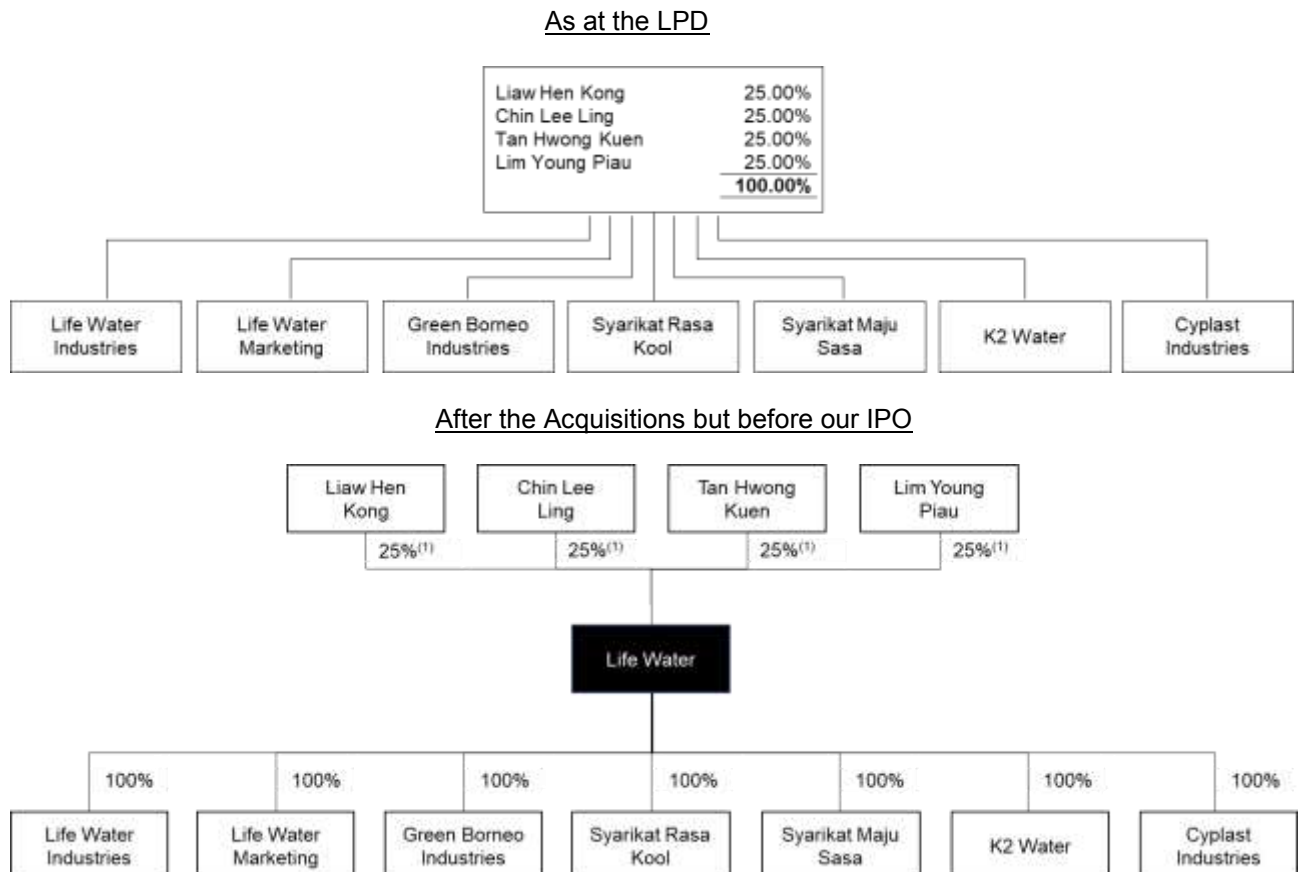
- (i) approval of the SC for the Listing as well as the registration of the Prospectus in relation to the Listing;
- (ii) approval of Bursa Securities for the Listing; and
- (iii) approval from the SC's Equity Compliance Unit and MITI for the equity structure of our Group for the purpose of the Listing.

The Acquisitions were completed on [●]. Thereafter, Life Water Industries, Green Borneo Industries, Life Water Marketing, Syarikat Maju Sasa, Syarikat Rasa Kool, K2 Water and Cyplast Industries became our wholly-owned Subsidiaries.

The new Shares issued pursuant to the Acquisitions rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

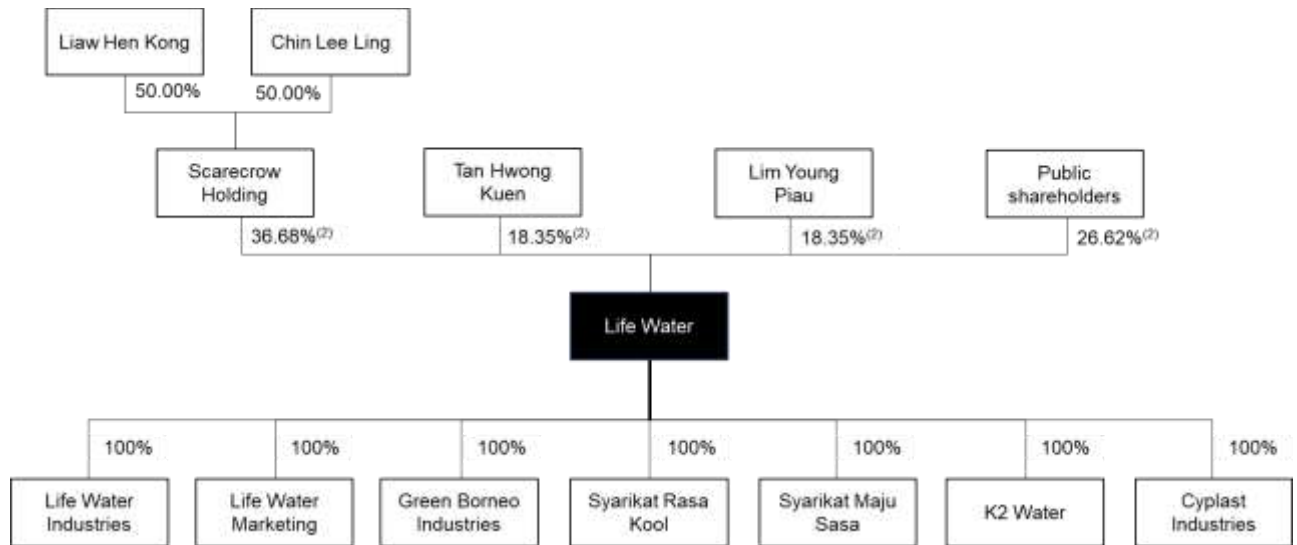
6.4 OUR GROUP STRUCTURE

Our Group structure before and after our IPO is set out below:



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After the Share Transfer and our IPO



Notes:

- (1) Based on our issued Shares of 375,616,500 Shares after the Acquisitions but before our IPO.
- (2) Based on our enlarged Shares of 473,179,500 Shares upon our Listing.

6.5 OUR SUBSIDIARIES

Upon the completion of the Acquisitions, our Company has 7 Subsidiaries and does not have any joint ventures and associated companies. Our Subsidiaries upon the completion of the Acquisitions are as follows:

Name and Registration number	Date / Place of incorporation	Issued share capital (RM)	Our equity interest (%)	Principal activities
Life Water Industries (Registration No. 199701014984 (430481-P))	7 May 1997/ Malaysia	1,900,000	100	Manufacture of drinking water, carbonated drinks and other drinks, plastic bottles, preforms, caps and related products
Green Borneo Industries (Registration No. 201001016886 (900589-H))	11 May 2010/ Malaysia	4,200,000	100	Manufacture of drinking water
Life Water Marketing (Registration No. 200701027403 (785425-P))	21 August 2007/ Malaysia	100,000	100	Sales and marketing of drinking water, carbonated drinks and other drinks, plastic bottles and related products including PET containers
Syarikat Maju Sasa (Registration No. 200701027401 (785423-D))	21 August 2007/ Malaysia	200,000	100	Previously the principal activity of the company was in the sales of drinking water, carbonated drinks, juice drinks and PET containers. The company has ceased business as at FYE 2023 ⁽¹⁾

6. INFORMATION ON OUR GROUP (CONT'D)

Name and Registration number	Date / Place of incorporation	Issued share capital (RM)	Our equity interest (%)	Principal activities
Syarikat Rasa Kool (Registration No. 200701027404 (785426-M))	21 August 2007/ Malaysia	200,000	100	Previously the principal activity of the company was in the sales of drinking water, carbonated drinks, juice drinks and PET containers. The company has ceased business as at FYE 2023 ⁽¹⁾
K2 Water (Registration No. 201401042504 (1118672-P))	19 November 2014/ Malaysia	100,000	100	Provision of transportation services
Cyplast Industries (Registration No. 202201008736 (1454433-D))	9 March 2022/ Malaysia	100	100	The company has not commenced business.

Note:

- (1) The business activities of Syarikat Maju Sasa and Syarikat Rasa Kool have been transferred to Life Water Marketing since 1 July 2023 as part of our strategy to streamline our sales and marketing operations.

Further details of our Subsidiaries upon the completion of the Acquisitions are set out below.

6.5.1 Life Water Industries

Life Water Industries was incorporated in Malaysia under the Companies Act 1965 on 7 May 1997 as a private limited company and deemed registered under the Act. The principal place of business of Life Water Industries is at CL075356375 & CL075356366, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah.

Life Water Industries is principally involved in manufacture of drinking water, carbonated drinks and other drinks, plastic bottles, preforms, caps and related products.

As at the LPD, the issued share capital of Life Water Industries is RM1,900,000 comprising 1,900,000 ordinary shares. There has been no change in the issued share capital of Life Water Industries for the past 3 years preceding the LPD.

Life Water Industries is our wholly-owned direct subsidiary. As at the LPD, Life Water Industries does not have any outstanding warrants, options, convertible securities or uncalled capital. Life Water Industries does not have any subsidiary, joint venture or associate company as at the LPD.

6.5.2 Green Borneo Industries

Green Borneo Industries was incorporated in Malaysia under the Companies Act 1965 on 11 May 2010 as a private limited company and deemed registered under the Act. The principal place of business of Green Borneo Industries is at Lot 9, Jalan 1F, KKIP Selatan, Industrial Zone 4, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah.

Green Borneo Industries is principally involved in manufacture of drinking water.

As at the LPD, the issued share capital of Green Borneo Industries is RM4,200,000 comprising 4,200,000 ordinary shares. There has been no change in the issued share capital of Green Borneo Industries for the past 3 years preceding the LPD.

Green Borneo Industries is our wholly-owned direct subsidiary. As at the LPD, Green Borneo Industries does not have any outstanding warrants, options, convertible securities or uncalled capital. Green Borneo Industries does not have any subsidiary, joint venture or associate company as at the LPD.

6. INFORMATION ON OUR GROUP (CONT'D)

6.5.3 Life Water Marketing

Life Water Marketing was incorporated in Malaysia under the Companies Act 1965 on 21 August 2007 as a private limited company under the name of Soon Hin Marketing Sdn Bhd and deemed registered under the Act. It subsequently changed its name to Life Water Marketing on 10 October 2013. The principal place of business of Life Water Marketing is at CL075356375 & CL075356366, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah.

Life Water Marketing is principally involved in sales and marketing of drinking water, carbonated drinks and other drinks, plastic bottles and related products including PET containers.

As at the LPD, the issued share capital of Life Water Marketing is RM100,000 comprising 100,000 ordinary shares. There has been no change in the issued share capital of Life Water Marketing for the past 3 years preceding the LPD.

Life Water Marketing is our wholly-owned direct subsidiary. As at the LPD, Life Water Marketing does not have any outstanding warrants, options, convertible securities or uncalled capital. Life Water Marketing does not have any subsidiary, joint venture or associate company as at the LPD.

6.5.4 Syarikat Maju Sasa

Syarikat Maju Sasa was incorporated in Malaysia under the Companies Act 1965 on 21 August 2007 as a private limited company and deemed registered under the Act. The principal place of business of Syarikat Maju Sasa is at CL075356375 & CL075356366, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah.

Previously, the principal activity of Syarikat Maju Sasa was in the sales of drinking water, carbonated drinks, juice drinks and PET containers. The company has ceased business as at FYE 2023. However, the company intends to be involved in the manufacturing and sale of plastic bottles to third party customers. Currently, manufacturing and sale of plastic bottles contributes a small portion of our Group's revenue, amounting to RM0.36 million, RM0.49 million and RM0.71 million for the FYE 2021, FYE 2022 and FYE 2023 respectively. Moving forward, such activity will be carried out by Syarikat Maju Sasa.

As at the LPD, the issued share capital of Syarikat Maju Sasa is RM200,000 comprising 200,000 ordinary shares. There has been no change in the issued share capital of Syarikat Maju Sasa for the past 3 years preceding the LPD.

Syarikat Maju Sasa is our wholly-owned direct subsidiary. As at the LPD, Syarikat Maju Sasa does not have any outstanding warrants, options, convertible securities or uncalled capital. Syarikat Maju Sasa does not have any subsidiary, joint venture or associate company as at the LPD.

6.5.5 Syarikat Rasa Kool

Syarikat Rasa Kool was incorporated in Malaysia under the Companies Act 1965 on 21 August 2007 as a private limited company and deemed registered under the Act. The principal place of business of Syarikat Rasa Kool is at CL075356375 & CL075356366, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah.

Previously, the principal activity of Syarikat Rasa Kool was in the sales of drinking water, carbonated drinks, juice drinks and PET containers. The company has ceased business as at FYE 2023. However, the company intends to carry out transportation of water solely for our Group's manufacturing usage throughout Sabah.

As at the LPD, the issued share capital of Syarikat Rasa Kool is RM200,000 comprising 200,000 ordinary shares. There has been no change in the issued share capital of Syarikat Rasa Kool for the past 3 years preceding the LPD.

Syarikat Rasa Kool is our wholly-owned direct subsidiary. As at the LPD, Syarikat Rasa Kool does not have any outstanding warrants, options, convertible securities or uncalled capital. Syarikat Rasa Kool does not have any subsidiary, joint venture or associate company as at the LPD.

6. INFORMATION ON OUR GROUP (CONT'D)

6.5.6 K2 Water

K2 Water was incorporated in Malaysia under the Companies Act 1965 on 19 November 2014 as a private limited company and deemed registered under the Act. The principal place of business of K2 Water is at CL075356375 & CL075356366, Batu 8, Jalan Lintas Sibuga, 90000 Sandakan, Sabah.

K2 Water is principally involved in provision of transportation services solely for our Group's distribution of beverages throughout Sabah.

As at the LPD, the issued share capital of K2 Water is RM100,000 comprising 100,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of K2 Water for the past 3 years preceding the LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration</u>	<u>Cumulative issued share capital</u>	
			<u>No. of ordinary shares</u>	<u>RM</u>
30 June 2023	99,980	RM99,980	100,000	100,000

K2 Water is our wholly-owned direct subsidiary. As at the LPD, K2 Water does not have any outstanding warrants, options, convertible securities or uncalled capital. K2 Water does not have any subsidiary, joint venture or associate company as at the LPD.

6.5.7 Cyplast Industries

Cyplast Industries was incorporated in Malaysia under the Act on 9 March 2022 as a private limited company. The principal place of business of Cyplast Industries is at Lot 805, Jalan 7, KKIP Timur, Industrial Zone 8, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah.

Cyplast Industries has not commenced business. However, the company intends to carry out recycling related business which the company would collect and/or purchase compacted and rejected bottles and sell them to third party.

As at the LPD, the issued share capital of Cyplast Industries is RM100 comprising 100 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Cyplast Industries for the past 3 years preceding the LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration</u>	<u>Cumulative issued share capital</u>	
			<u>No. of ordinary shares</u>	<u>RM</u>
9 March 2022	100	RM100	100	100

Cyplast Industries is our wholly-owned direct subsidiary. As at the LPD, Cyplast Industries does not have any outstanding warrants, options, convertible securities or uncalled capital. Cyplast Industries does not have any subsidiary, joint venture or associate company as at the LPD.

6.6 PUBLIC TAKE-OVERS

Since our incorporation up to the LPD, there has been:

- (i) no public take-over offers by third parties in respect of our Shares; and
- (ii) no public take-over offers by our Company in respect of other companies' shares.